Boss Builder

George Prudham, of Edmonton, at 22 was one of hundreds who journeyed West to explore but stayed to build. A few days ago, at 44, a leading Prairie carpenter-builder and lumber dealer, he was chosen to head the five-year-old National House Builders' Association. Prudham's fellow NHBA members number over two-thirds of Canada's 1,000 operative housebuilders, a group which in the three years 1945-47 completed about 160,000 or 80% of the nation's estimated 200,000 postwar houses. (See personality sketch, Page 6).

The Financial Post

The Canadian Newspaper for Businessmen and Investors

Vol. XLII Fifteen Cents an Issue, Five Dollars a Year — Publication Office: Toronto, March 20, 1948 — Member of Audit Bureau of Circulations — No. 12

How's Easter Outlook For Retail Business?

Post Survey Shows Weatherman Holds the Key, Not Only for Immediate Prospects But for Probable Effect on Future Business

Will Easter business be up or down this year?

For the answer, Canadian retailers are giving the stage to the weatherman. They want a warm, sunny performance for the next week — or else.

Why?

Because, right now, the retail business is on a plateau. True, it's still high above pre-war levels. But no one knows just how far into the future that plateau extends. True, it might lead to even higher levels. But then again, the edge of the plateau might not be far distant. So close, in fact, that a poor Easter season could be the first step down.

And that poor Easter season is in the making — unless the weatherman co-operates.

A Dominion-wide survey by The Financial Post shows this: pre-Easter trade is down in shoes and clothing; unless warmer weather comes soon, it may slip considerably below last year; dollar volume in other lines is holding up, but unit volume is down; credit sales up across the board.

On the brighter side: with supplies improved and wider choice, people are not buying ahead as much as in war and postwar years. This, and warmer weather, will boost the Easter business, retailers hope.

The question is: will it boost it enough to hold it on that high-level plateau?

Here's the way retailers see it: With continued cold or damp weather, shoppers will put off buying Easter finery. They may put it off long enough to step right into summer outfits. What happens to heavily-stocked Easter shelves? And to the credit of the retailer who depends on Easter cash? Post-Easter markdowns would follow, but with the Easter mood gone, would the public buy?

Here's the picture by cities:

Halifax—Business slow, due to weather, unemployment. Snow keeps rural residents at home, delays urban buying spring clothes. Mail order business good. Fine Easter weather might put business over last year's total.

Montreal—Sales of better class merchandise may be 10% over last year on dollar-value; shoes moving slowly due to continued cold weather. No spring sales yet, but some scheduled for May.

Toronto—Business fair but public generally showed little shopping enthusiasm till this week. Many stores putting on specials to bring in business. Millinery, clothing need turn in weather to spurt buying. More expensive lines moving better than cheaper dress goods which retailers say aren't being offered in sufficient assortment. Dollar sales up on last year.

Winnipeg—Coldest early-March in 60 years slows retail trade; stores' business down 5% to 12%. More March sales than usual as merchants reduce inventories, particularly shoes and furniture. Credit business up 10% in urban centres.

Regina—Business drop of 10% to 20% expected due to snow-blocked roads. Ladies' ready-to-wear, men's clothing, and shoes moving slowly. April sales planned by some stores. Credit business up 15% to 25%. Implement houses and garages report business holding up; demand for new cars off sharply.

Edmonton — Pre-Easter trade good; one store up 30% over last year first week in March; more credit business; cheaper merchandise moving slowly.

Vancouver—Unit volume down, but Easter buying picking up. Dress business down in cheaper lines. Few price cuts in Easter sales except in furniture. Credit business up 25%; delinquencies up 10%.

PRICES

U. S. grain prices at midweek were recovering last week's losses: the U. S. Government was again buying wheat for overseas at the rate of 1,000,000 bushels a day.

By Tuesday's close at Chicago, March wheat was up \$2.50¼ from last week's low of \$2.41⅜, May wheat was up to \$2.41½ from \$2.35. Both had risen steadily in the three days since the Government had re-entered the market to end a new threatened slide.

New York commodity futures reacted in sympathy. By Tuesday, the Dow-Jones index stood at 146.62 as compared with 145.06 a week ago.

All in all the U. S. grain and commodity markets gave the appearance of being in a steadying process.

Gas rates would be upped effective April 13 in Toronto; the average increase for 85,000 consumers would be 29c a month.

Uranium prospecting and mining was thrown open to private enterprise in Canada after four years as a virtual government

(Continued on page 2, col. 4)

Alcan Output Seen Boosted By 60,000 Tons

MONTREAL (Staff) — With the announcement that Aluminum Co. of Canada has reopened its Shawinigan Falls No. 2 plant, indications are that the company will boost its yearly ingot production by 50,000 or 60,000 tons. This would raise yearly output to around 330,000 tons or almost 70% of peak wartime rate. This figure does not, however, provide for a possible increase in output from the Arvida plant.

Opening of the Shawinigan Falls plant is believed the result of recently negotiated contracts with U. S. customers. According to previous reports (The Financial Post, Dec. 27) these call for sale of 150,000 tons (330 million lb.) of aluminum ingot, with a dollar value of around \$50 millions. Deliveries will be spread out over longer than a year, it is understood.

If entire production of the Shawinigan Falls plant is used to fill the U. S. orders, it would appear that operations are assured for at least two years on the basis of present production facilities. It is reported 100 or more men will be employed at the reopened plant.

Exports of aluminum ingot to United States last year totaled just under 15,000 tons, or an average of about 1,250 tons a month. In January of this year DBS export figures show exports of slightly more than 4,000 tons.

Canada's Recovery Speeded If U.K. Joins Europe Union

Step Would Open Up \$1 Billion Market for Dominion in Old World – Communist Czech Coup May Speed Decision

By KENNETH R. WILSON

OTTAWA (Staff)—High ranking officials here consider of the very greatest importance to Canada, Britain's new attitude towards a European trade or economic union. At stake here is the future of an annual market for upwards of \$1 billion worth of Canadian exports.

Originally, Great Britain refused point blank to discuss any such arrangement. Later she showed willingness to discuss but without any commitment. This week, Foreign Minister Bevin says Britain and her colonies are not only prepared to discuss but are ready to act.

As seen here, British participation in common tariff and economic arrangements with Western Europe would mean further inroads into the Empire preferential tariff system. This would be of direct concern to Canada.

But this could be of very small consequence compared to the opportunity which a European trade union might open for the consolidation and expansion of Canada's trade position in Europe. The nations which comprise the ERP countries have a total population of 270 millions. This includes the population of Germany, now apparently to be included in the discussions. Before the First Great War this area was a major outlet for Canadian farm and other products. Undoubtedly it could again become a tremendous market if political insecurity were removed and freer trade relations established with the Dominion.

Our Trade Future

What is of prime importance here is that Canada's trade future is essentially dependent, in the first instance, on the restoration and creation of a workable and prosperous European economy. This includes of course, Great Britain. If we do not get that market restored, we face either a much lower standard of living in Canada, or, alternatively, some sort of economic union with United States.

Now, for the first time in history, the dream of a unified European market looms as a possibility if not indeed as an imminent reality. Were such a dream now to be realized, it would undoubtedly speed the day when British and other European currencies would again be freely convertible into dollars. At that point, an annual market for Canada of at least a billion dollars worth of Canadian products become a very reasonable hope.

There is no questioning the fact that the extraordinary change in the European attitude is due to the fear of Communism. The final impetus has been the ease and rapidity of the Czech coup and the consequent realization that time is of the essence.

Signs of Soviet Fears

It is believed here that there are signs of Russian fears and weakness in what has happened in recent weeks. The argument is that Russia may for the first time have been put on the defensive; forced to act in point of time against her better judgment, to head off the speedy and benficial influence of the Marshall Plan.

But the very speed and method of the Russian operation in Czechoslovakia has put the rest of Europe and America on guard as never before. By having taken place ahead of the Italian elections, a chain of events may have been started which will not only saved Italy but achieve a degree of unification in the rest of Europe which would have been considered completely impossible even a few months ago.

Were this to materialize, the next great hope for the democracies would be that one by one the satellite nations now under Russian domination might begin to crumble.

Inside News

Economic Union?

Should Canada enter an "economic union" with the United States? Life Magazine this week argues that it should. Does a custom union lead inevitably to political union, or rather, annexation? A Financial Post staff writer weighs the pros and cons (p 17).

More Money Than Prewar

Canada's money supply in early 1948, has increased by almost 180% over the prewar figure, to a total of \$3.816 millions. It is down 5½%, however, from the peak reached in 1946. Governor Graham Towers of the Bank of Canada, analyzes the composition of the money supply (p. 23).

Here Come U. K. Cars

Canada's new import regulations have proved a boon to the United Kingdom motor industry; have opened the door to about 7,000 cars yearly from the old land, three times the previous number. First models are already here, with more to follow (p 17).

Jobs For Immigrants

Almost every industry in Canada offers employment possibilities for properly qualified immigrants, representative Canadians tell The Financial Post. Agriculture rates highest on the opportunity list for men; domestic service for women (p. 7).

U. K. Reds Sing Low

Communists in England are pulling in their horns, as the likelihood of war with Russia is discussed openly in Parliament and the press. Rumors say Britain and the United States may issue a peremptory warning—"just short of an ultimatum"—to Moscow, against further enroachments. London Calling, by Adelphi (p. 32).

More For Compton

A stock switch and increased dividend payments by two companies, raise Compton's investment income to \$707.58 yearly, \$313.83 higher than when his account was placed in the hands of his present advisor in December, 1944. Managed Investment (p. 5).

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Big South Africa Chain Will Buy Direct in Canada

MONTREAL (Staff)—Looking for an export customer? Greaterman's Stores, which operates 75 department stores in South Africa, announces the opening of a direct-buying office here. Called Greaterman's Buying & Shipping Corp., the Canadian office will make Canadian purchases for the entire South African organization which consists of Greaterman's Stores, Ackerman's, Harvey Greenacre & Co., and Belfast Warehouse. Managers of the Canadian subsidiary are Messrs. Fred and Lou Packer, who state that there are no restrictions either as to dollar value or physical volume of goods which may be purchased in Canada.

Up to the present, the bulk of Greaterman's purchases have come from United States and England, it is stated.

In South Africa, the retail division of the Greaterman's group (the Greenacre store is reputed to be the biggest in the country) reported a 1947 turnover of approximately \$30 millions. In addition, the organzation comprises several factories and a wholesale division. Greaterman's stock is listed on the Johannesburg Stock Exchange.

Only 'Quarter' Of Commercial Rents Affected

Three quarters "at least" of store and office tenants at preferred locations in the business pressure centres of Canada's major cities will escape rent increase resulting from last week's Ottawa move freeing commercial property from WPTB rent control.

Three quarters "at least" of such tenants, encouraged by Ottawa a year ago "discounted" the then coming complete decontrol by entering into new leases with rent increases averaging 25% to 100% — a controlled maximum of 25% for 1947-49 two-year leases, and an uncontrolled or "free agreement" figure for rents under leases newly made to run from 1947-50 or longer.

In other words, the main impact of commercial rent decontrol developed a year ago; isn't a sudden happening of 1948.

That's the consensus among commercial property landlords and real estate brokers consulted this week by The Financial Post in a 7-city survey.

Their key finding: That among the 20% to 25% of total commercial tenants at preferred locations who refused or weren't offered 1947 "decontrol" leases roughly one quarter now face rent hikes varying around 50%, about one half must meet doubled rent and the rest are being given notice to "pay 150% to 200% more or get out."

Some Will Suffer

That any commercial rent increases now — even so small an over-all increase as indicated by The Post's survey — may injure, perhaps kill some "marginal" small business enterprises is admitted by landlords interviewed. But their argument is that relatively few tenants will be seriously affected, and "mostly" those already on the verge of bankruptcy.

And there will be "no considerable volume" of the 300% to 400% increases forecast "somewhat recklessly," in last week's Ontario and Quebec newspaper reports following the decontrol move, according to property interests canvassed by The Post.

Cities surveyed include Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton and Vancouver. In none of these so far is there authenticated record of any considerable volume of complaint against current overcharge following final decontrol of commercial rents.

Fight Over Directorate Of Donnacona Near Head

MONTREAL (Staff) — A determined effort by a group of shareholders of Donnacona Paper Co. to keep representatives of Dominion Tar & Chemical Co. off the board of directors, was started last week in preparation for the annual meeting in Quebec City, March 23.

In a letter to shareholders, asking for proxies, J. B. Lynch, President of Siscoe Gold Mines and Chairman of the Shareholders' Protective Committee, said: "We are strongly opposed to the representation of Dominion Tar & Chemical Co. or its associates, on the board of directors."

Mr. Lynch tells The Financial Post that his committee has no complaint against President R. P. Kernan, but that it feels the company's sales department should be held off. In the letter, Mr. Lynch states that the Committee has been reliably informed that the President of Donnacona recently disposed of a large block of his shares at a highly favorable price to Dominion Tar. This latter company, it is stated, has acquired a small percentage (7.5% or about 28,000 shares) of Donnacona's outstanding common shares.

It is pointed out in the letter that Donnacona has called a special general meeting of shareholders, following the annual meeting. The letter indicates that the purpose is to approve bylaw "K", providing for an increase in the number of directors. It states, however, that no details have been furnished to shareholders. According to the committee, purpose of the increase is to permit appointment of two nominees of Dominion Tar.

Interests Might Conflict?

"We consider" the letter states, "that an interlocking directorate would be highly undesirable, in view of the fact that Dominion Tar & Chemical Co. owns Alexander Murray & Co., which has a highly lucrative and exclusive agency contract with your company for the sale of insulating board. The production of insulating board (commonly known as 'Donnacona board') was 80 million square feet in 1947. Sale of this product constitutes a most profitable business for any sales agency.

"In our opinion, Dominion Tar should not be represented on the board, as its own special interests may well be contrary to yours when the time comes to consider a change in the sales agency or the establishment of a Donnacona sales organization. The products of your company — newsprint, insulating board and pulp — all have unlimited markets today, and prospects are that they will con-

(Continued on page 2, col. 3)

'Red' Poster in Street Cars Arouses Toronto's Riders

Ever wonder if folks are really excited about the "Red Menace?"

Sunday night a new advertising card went up in some of Toronto's street cars. It was a midget among the "car cards" (a mere 7 x 11 in.) — but, in the language of the ad-men, it had the "pull" of a blimp.

It was a plain card, with a big red blob splattered right in the centre. Reverse lettering in white read: "Watch the Tide Come In."

Was it the red color? Or the word "tide," with its connotations of something which has swept away a large slice of European democracy? Toronto's tram-riders thought it had some sinister implications, and they lost no time in making their feelings known.

Puzzled enquiries and outright protests poured into the offices of Toronto's Transportation Commission. Some associated the strange card with the simultaneous appearance of the red hammer-and-sickle banner over Ontario's Parliament Buildings.

Toronto's City Hall nervously asked what's up. An official contacted that Canadian Street Car Advertising Co., which admitted it was a "teaser" ad.

Advance whisper to Financial Post readers: April 1 the public will learn that Procter and Gamble is responsible. It's building up for the introduction of a new "washday miracle," brand-name, "Tide."

Pace of Business

A major break in Canadian mining issues carried TSE index of golds more than 10 points lower in a week to lowest levels touched since September, 1946. Liquidation spread to industrials Tuesday on weakness at New York. Sharp breaks in Louvicourt, East Sullivan and Giant Yellowknife featured mining sell off.

Shipments of shapes by Canadian steel mills totaled 231,329 net tons in January (178,273 tons, month previous).

Newsprint production by Canadian mills totaled 344,645 tons in February, an increase of 3,377 tons over same 1947 month. Newfoundland output was 24,783 tons (off 4,954 tons); U. S. 58,016 tons (off 4,786 tons).

Life insurance effected in Canada showeod a 4.3% increase to \$1,453,187,001 in 1947, Department of Insurance reports. Fire insurance premiums increased 27% to \$18,763,623; automobile insurance jumped 42% to \$47,839,031 of premiums.

Wholesale inventories showed a 19% over-all gain in dollar volume at Jan. 31, compared with year previous. Largest DBS individual group gains were: dry goods, 42%; clothing, 38%; automotive equipment, 33%; hardware, 26%.

Butter stocks show sharp drop. Only 7,697,061 lb. reported on hand in nine principal cities on Mar. 12, vs. 9,692,269 lb. a week earlier.

January paint sales showed a marked jump: \$6,538,000 vs. \$4,753,000 in January, 1947, DBS reports.

Wholesale sales showed an increase of over 3% in dollar volume in January, compared with 1947; also showed a 2% decline from December, a normal seasonal trend. Only drug trade (up 11%) showed a larger increase over January, 1947, than in preceding months.

Dividend yields on 112 issues listed on Toronto Stock Exchange touched a new high of 5.89% on March 15, 1948—an increase of 0.19% on the week. Average yield on common stocks was 6.42%, up 0.1% over same period.

Retail sales showed an 18% gain in January over same 1947 month. Due to change in prices, however, no great change in physical volume is apparently reflected.

Banks Don't Live Off Government Bonds Earn .14% on Personal Savings Accounts

OTTAWA (Staff) — The accusation of the CCF and other left-wingers that Canadian bankers were "living off the Government" was refuted this week by official figures showing the cost of operating personal savings accounts.

The figures are included in a new set of government statistics henceforth to be published annually as an appendix to the annual return of Canadian chartered banks.

It cost Canadian chartered banks almost exactly 2% in interest and operating charges to handle personal savings accounts in 1947. Of this total, 1.24% represented interest paid out to depositors and .72% in actual operating charges. Net earnings on these accounts (before income taxes) was only \$3.9 millions.

Such figures are now officially available for the first time for all Canadian chartered banks, because in February, 1946, the Government promised that separate statistics on bank earnings, expenses and net profit on Canadian savings deposit business would be made available to Parliament. The promise came in connection with the agreement whereby banks were to limit their holdings of Dominion Government securities to not more than 90% of their personal savings deposits. The argument at that time was that the banks were making "too good a thing" out of their large government bond holdings. In short, that they were getting close to a 3% return on Government bonds and in turn lending out their funds at a considerably lower rate as a result of their "swollen" assets.

The new return which implements this promise for the first time, shows that in 1947 the ratio of government bonds to savings deposits was 78.4%, something considerably lower than in 1946 maximum arrangements. Average earnings on those bonds held for investment account was 2.33%.

After deduction of the expenses of operating personal savings accounts (1.96%) the actual net earnings to the banks (before income taxes) was .14%.

In short, the actual earnings of the banks on this particular operation (before income taxes) now turns out to be \$3.9 millions or something less than one seventh of one per cent. This figure is less than 7½% of the net earnings of Canadian banks of 1947 (before income taxes). It gives the lie to the accusation that the banks were "living off the Government" in regard to their wartime accumulations of government bonds.

Actual dollar earnings on Canadian bonds held by the banks in 1947 (for investment account) is shown at \$59.2 millions. Against these earnings, the banks paid out in interest to savings depositors the sum of \$35 millions. The actual operating expenses of running personal savings accounts in 1947 was \$20.3 millions.

THE NATION'S BUSINESS

Customs Union Not the Answer

Canada gets some good publicity in the United States this week. Life magazine, in a full-page editorial, comes out unequivocally for customs union between Canada and the United States. A columnist in Newsweek, a little more cautious, advocates the same thing as the first step in a larger union to include the British Commonwealth, Western Europe and possibly Latin America. The beginning of such a move, observes the Newsweek writer, would be well worth while, if only for its value in demonstrating a change in "our (U. S.) national habit of smugly prescribing for others, medicine that we do not dream of taking ourselves."

Regardless of the practical value of these suggestions, Canadians will be gratified to see these immense American audiences having pointed out to them that their prosperity and Canada's are interdependent, that both countries must develop and expand together.

But customs union is not the answer. The tremendous upheaval that would follow such a move might well prove disastrous at this critical time. Where it has been tried in the past, customs union has almost invariably led to political union. That fact will make the suggestion unpalatable to many Canadians.

Remember what defeated "Reciprocity" in 1911. That very mild proposal was only for a free interchange of natural products and some mutual levelling of duties on other goods. But the "annexation" cry arose and the measure was killed. It is sincerely to be hoped that this present customs union talk doesn't have similar unfortunate repercussions and delay achievement of some things needed promptly.

Foremost need is for both countries to recognize the economic facts of life on this continent, and do a tariff housecleaning job accordingly.

Canada is a vast producer of certain raw materials. Those should move without let or hindrance in this continental market. Economic common sense dictates that, in most cases, industries using Canadian raw materials would be located in Canada near the source. Canada would have to drop the dubious and expensive practice of importing American gadgets, giving them a coat of paint and calling them Canadian products.

Customs union would give neither the United States nor Canada anything that we can't get from a rational rearrangement of tariffs. It would do nothing to solve one of our basic problems, the marketing of certain large surpluses of which the U. S. has no need. Examples are wheat, tobacco and fish, some of our dairy products, lumber and metals, and other things. Europe has been our traditional outlet.

Canada's best hope lies in the restoration of world trade and an enlightened reform of the U. S. tariff. If that leads, step by step, to customs union with the United States, it will be for another generation of Canadians and Americans to make the final decision. To promote a customs union now is apt to divert attention from more immediate and possible objectives.

• • •

That's Just Naive, Mr. Coldwell

CCF leader Coldwell is quite obviously aware of public apprehension about his party's plan for complete public ownership of banks.

In a statement published recently in The Financial Post, Mr. Coldwell reiterated the party belief that "Control of finance is the first step in the control of the whole economy." That, he points out, involves "nationalization of the chartered banks." But, he added: "There would, of course, be no interference with the rights of depositors, or any betrayal of the confidential nature of such deposits."

Mr. Coldwell will have little success in convincing Canadians that he can deliver on that promise and make it stick.

He should look at the experience of bank nationalizers in Australia.

As soon as the nationalization scheme was announced, apprehension swept the country. That eventually brought one change in the bill which purports to guarantee bank customers the traditional privacy.

Another clause against discrimination attempts to legislate that banks will not favor in the granting of loans, etc., one set of customers (e.g. socialists), as against any other group (e.g. non-socialists).

Another clause in the Australian Act was also inserted for "special" reasons. The claim had been that nationalization would eliminate duplication of services. One minister claimed the nationalized banks could drop 5,000 employees. But as enacted, the Australian bill includes a clause specifically protecting all bank employees in their jobs.

As with so many CCF ideas, the Coldwell "promises" of secrecy and nondiscrimination are naive.

Under his nationalized banking scheme, every bank manager and every bank employee will be a civil servant beholden for his job and his welfare therein to a political party. Look at what the results would be instead of as Mr. Coldwell thinks they should be. Inevitably, the bank employee would be open to political pressures. Inevitably, his judgment on loans would in many cases be influenced by the political coloration of the borrower, and on his party standing. Inevitably, the pressures of other government departments wanting confidential information about an individual's affairs would frequently win banker co-operation.

No, fine promises about nondiscrimination and secrecy under nationalized banking don't mean a thing. Millions of depositors aren't that naive.

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Donn. Fight Nearing Head

(Continued from page 1)

tinue to do so. There is no necessity or justification for increasing the board's membership or paying high commissions to sales agencies when production is insufficient to meet the demand."

Ask Representation

The letter adds that shareholders should have direct representation on the board to prevent undermining of their interests, and to keep them informed about the company's affairs. This should be done with no increase in the number of directors, it is advocated. In asking for proxies Chairman Lynch stated that they would be used:

1. To demand a full disclosure of all sales agency contracts.
2. To make strong representations against election of directors representing interests which might be contrary to the shareholders'.
3. To take all possible steps to secure the election of at least one director to represent shareholders' interests.
4. To vote against the sanction of bylaw "K," providing for the increase in the number of directors.
5. To endeavor to obtain a statement of dividend policy and payment of dividends on a quarterly basis.

Mr. Lynch states that the proxies "have been coming in pretty well." At the time the letter was mailed on March 9, it was stated that the protective committee represented over 30,000 shares "as a result of a few telephone calls."

"Check on Efficiency"

Mr. Lynch tells The Post that the management of Donnacona, along with other paper companies now enjoying great prosperity, should be checked up for efficiency. He stated that the fact that some 44 proxy fights are reported in progress in United States at present, indicates that shareholders are checking up on management.

In this connection, the Committee's letter points out that Donnacona's financial statements for 1947 show an increase of more than 60% in profits over the previous year; yet the present directors have voted a dividend of only 50c a share, payable in April, as against 75c paid this time last year.

PRICES

(Continued on page 2, col. 1)

monopoly, and a floor price was set for the next five years. The price: $2.75 a lb. for uranium oxide which would be bought by the Crown's Eldorado Mining and Refining Co. or some other Government agency.

The Commons Prices Committee in Ottawa, meanwhile had finished the public probe into bread prices. Now it was on to butter. And Deputy Finance Minister Kenneth W. Taylor came to the stand for the third time, this time to say of butter, as he had said of bread, that prevailing prices were "just and reasonable" and evidence of profiteering would be hard to find.

The one-third increase in butter prices in November and December, he said, had been due to a fear by dealers that they would not be able to get enough to fill their orders.

The Cost-Of-Living index came under fire from the Canadian Association of Consumers as being unrealistic. The Association quoted surveys showing that the actual cost of food for a family of five in Toronto per week had risen from a basic $11.62 in 1945 to $17.08 in February this year; to maintain 1939 standards that family needed an income of $42.60 a week.

The Assocation wanted the Committee to probe clothing prices. Ready-made garments for children, it claimed were, too costly, of poor quality.

After butter the Committee intimated it would go on to meat, fruits and vegetables again, milk, textiles. And flour would be looked into, "in view of many allegations of unfair practices in the milling industry."

Price-cutting was being encouraged in Alberta where since 1934 legislation had banned loss-leader selling. Now, by an order-in-council, retailers no longer had to abide by the ruling of a minimum markup of 5% over wholesale prices; they could sell at a loss if they wished. The result could hardly be what Premier Manning had optimistically stated as his hope; that the new order would help roll back prices to 1946 levels.

Home Rentals the House voted, would be continued for another year.

"Price control folly" said Canadian Grocer (Maclean-Hunter) will likely cost Canada an extra $5 millions on its sugar bill this year. Reason: the Government through retaining price control on sugar and through purchases in the West Indies by its sugar corporation last fall for the ensuing year had committed itself to purchases at $1 a cwt more than the present market levels.

Soaps and soap powders imported from the U. S. are being liquidated at reduced prices after moving slowly out of inventories overstocked last fall when scarcity in these items existed in Canada.

Canned citrus juices are showing some reductions — about 10c a dozen on 20-oz. tins and 30c a doz. on 48-oz. tins at wholesale.

Capital Import Controls Unlikely Till Mid-April

OTTAWA (Staff) — Present expectation is that the Government will not be ready to extend capital import licensing controls until at least April 15. It is expected that ample warning will be given so that goods in transit can be looked after and border complications avoided.

Last December, Rt. Hon. C. D. Howe indicated he would use his authority to put machinery and structural steel items under control as at Feb. 1. Later he announced postponement to a date "not later than March 1 for general application and Feb. 15 for certain special applications."

Present hope — and it is still not more than a hope — is that the new proclamation date will be mid-April.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government.

Abitibi Power & Paper Co. — Hon. Edouard Asselin, a director.

Arnett Co. (Winnipeg) — Leslie E. Elliott, engineer in charge of refrigeration.

Bell, Rinfret & Co. (Montreal) —Harold E. Carruthers, Maritimes representative (Halifax).

Canada Permanent Mortgage Corp. — Clarence Gibson, manager, Ontario branch; J. W. Rose, Jr., secretary.

Canada Vinegars Ltd. — F. R. McCrea, sales manager.

Canadian Association of Broadcasters — G. R. A. Rice (Edmonton) chairman of directors; T. J. Allard (Ottawa) general manager.

Canadian Construction Assn. — R. C. Pybus (Vancouver), O. J. Hurst (Calgary), W. B. Ramsay (Regina), H. J. Bird (Winnipeg), Frank P. Flett (Toronto), P. G. Wilmut (Montreal), J. A. Macpherson (Halifax), J. F. Parsons (Moncton), regional vice-presidents; J. Clark Reilly, first honorary life member.

Canadian General Electric Co.— F. W. MacLaren, manager, Sydney.

Canadian National Railways — Geo. F. Drummond, chief architect.

Central Mortgage & Housing Corp. — A. J. E. Smith, J. M. McPherson, assistant regional supervisors; W. E. Ohrner, assistant regional construction engineer.

Commonwealth International Corp.—Clarence Wallace, director.

Dominion Government — A. W. H. Needler, assistant Deputy Minister of Fisheries; D. F. Purves, budget director, National Defense Dept.

Federation Insurance Co. of Canada (Montreal) — Henri Gerin-Lajoie, president; L. W. Blair, managing director; Paul E. Tremblay, general agent.

Gordon & Belyea, Ltd., Vancouver—M. E. De Laurier, general sales manager.

Great-West Life Assurance Co.— F. W. Buchanan, member investment department.

National Breweries Ltd. (Montreal)—H. G. Letch, head brewer; L. J. Scott, assistant to executive vice-president; O. J. N. Dawes, director of production.

National Research Council — E. V. Gibbons, member building research division.

North American Buildings Ltd. —Fred G. Carpenter, manager.

Ontario Broker-Dealers' Association — W. M. Wismer, secretary.

Ontario Society of Artists — R. York Wilson, president; Cleave Horne, vice-president; Herbert S. Palmer, secretary.

Ottawa (and Hull) Better Business Bureau — Fernand de Miffonis, manager.

Pacific Mills Ltd. — Fred Oxenbury, assistant purchasing agent.

Rexall Drug Co. — G. F. Bullock, president; J. R. Kennedy, chairman of board; Neil B. MacDonald, a director.

Robert Simpson Co. Ltd.—H. B. Keenleyside, a director.

RCA Victor Co. — Robert G. Powers, general sales representative, New Brunswick (Moncton).

Southern Pacific Railway — Cecil G. Alton (Vancouver), general agent, passenger department, Seattle; Kenneth B. Currie, Canadian general agent (Vancouver).

S. R. Mackellar & Co. (Toronto) —Magnus T. Paulson, manager, industrial sales department.

Standard Oil Co. of British Columbia — C. O. Robinson, merchandising manager.

Toronto Insurance Conference— Walter S. Tomenson, president.

University of Toronto—Dr. Claude T. Bissell, assistant to president.

War Assets Corp. — G. F. Walsh, acting director, organization and personnel department.

Woods-Dryden Paper Bags, Ltd. —H. Roy Crabtree, president; E. Lorne Goodall, vice-president; J. Buffie, general manager; R. B. Moffit, secretary-treasurer; R. R. McLernon, a director.

Net Earnings of Banks Up But Income Taxes Also Rise

Ottawa (Staff) — Net earnings of Canadian chartered banks before income taxes was $53.2 millions in 1947 compared with $53.1 millions in 1946. After allowance for income taxes, the chartered banks showed earnings of $38.9 millions in 1947 and $39.3 millions in the previous year.

These figures can now be given officially by comparison of published bank figures and the official return on Canadian bank earnings and expenses tabled in the House of Commons this week.

Highlight of the newly-published return is that current earnings rose 13%, due largely to a 27% rise in earnings from interest and discount on loans. The 1947 figure on loan interest was $90.1 millions compared with $70.7 millions last year. This reflects the increased commercial activity in Canadian banks and the swing away from heavy wartime accumulation of government bonds. Trading profits on securities and interest and dividends were slightly higher than last year at $92.8 millions. Service charges and other earnings were $46.4 millions. Total operating earnings in 1947 were $229.3 millions against $203.3 millions in 1946.

Chief offsetting expense was a 20% rise in remuneration to bank employees during the year. Banks reported this item as $78.9 millions against $65.4 millions in 1946. There was a corresponding rise in contributions to bank pension funds which rose from $8 millions to $9.5 millions. Interest paid on all deposits was $46.6 millions against $41.1 millions the previous year. Total current operating expenses, including income and other taxes was $190.4 millions against $164 millions in 1946.

Dividends to shareholders was $14.2 millions against $12.6 millions in 1946. This left $24.7 millions available for losses or contingencies. The same figure in 1946 was $26.7 millions.

B. C. to Have 3% Sales Tax

From Our Own Correspondent

VANCOUVER—British Columbia will impose a 3% sales tax, estimated to yield about $12 millions yearly, Finance Minister Herbert Anscomb disclosed in his budget speech here this week. One third of the total so collected will go to the municipalities.

As the province can only impose direct taxes, the new levy will probably be added to the retail prices of goods. It is expected that a token system, similar to the one in vogue in the adjoining state of Washington, will be used.

The tax will not apply to food for "human consumption," Mr. Anscomb said. It is not known if it will apply to liquor or restaurant meals.

The budget, the largest in the province's history, shows revenues and expenditures for 1948-49 of more than $77 millions, more than double the estimates of three years ago. Last year's was $58 millions.

The B. C. Power Commission will spend $11 millions for construction and purchase of plants; the Government will borrow $5 millions to cover capital expenditures on the PGE; increased timber royalties will bring in nearly $1 million more: revenues will show a $1.4 million increase from the Dominion-Provincial agreement over 1947.

Mr. Anscomb said that the province has never in the past 30 years been in such a strong position in respect to its public debt. Full sinking fund provisions were made during 1946-47 for the first time in 14 years.

Health and welfare budget is highest with $14,679,691, more than $2.5 millions over last year. Education will cost nearly $13 millions, a boost of about $1.7 millions.

SANTIAGO MINES plans reopening the silver-zinc-lead Hartney mine, Slocan district, B.C., as soon as weather conditions permit.

Look For It Here

Mar. 20, 1948

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New Varsity Course Blends Engineering and Business

There's an interesting story behind the fact that the University of Toronto will be graduating a new species of engineer this year—a group of 36 young men, mostly veterans, who have completed a course of training known as "Engineering and Business."

Some time ago a questionnaire was sent out to Toronto's engineering graduates, old and new, asking about the nature of their employment. Gleaned from 2,583 replies was the following significant information:

1. One year after graduation, about 78% of graduates were engaged in the type of predominantly technological work for which they were trained. But this percentage dropped rapidly during each of the succeeding 10 years.
2. Meanwhile, the percentage of those employed in various administrative capacities increased rapidly to a maximum of about 43% among those who had been out of college 22 years.
3. At this stage (22 years out of college) there are as many graduates working in administrative jobs as there are in technical jobs. But those in administrative jobs are, on the average, getting fatter salaries

Many Drift to Business

These trends—substantiated in greater detail by a breakdown of eight different types of employment—indicate that many men originally trained as engineers do not stay in the purely technical field. Many, indeed, never intended staying in that field, being attracted toward positions in sales, purchasing, personnel, time study, or administrational work, which are only partly technological in character.

Until recently, the universities have offered no specific training for these "business administrators to be." Many of them had gravitated toward mechanical engineering because it seemed to be the most general engineering course associated with manufacturing. As a result, Prof. E. A. Allcut, head of the mechanical engineering department, now has under his wing 280 students of "engineering and business." Of the 36 young men due to graduate next spring, all except three or four are veterans. Ninety-five students are in their third year, with only 13 nonveterans. Seventy-four are in second year, including 17 nonveterans. That leaves roughly 75 in first year, but since their training is largely the general background work required of all engineers, some change in that number is possible.

Prof. Allcut is insistent that the course be not a "hybrid"—one in which the technical part of the training falls short of the calibre required to hold a job on this ground alone and in which the commercial part isn't enough to qualify the student to hold a position in the commercial field alone.

Solid "Foundation"

If the "engineering and business" graduate follows the pattern of most of his engineering colleagues, he will find that the technical aspects of his training will be called into play during the early years of his employment "outside." Later, his administrative abilities and training may be utilized. It is necessary, therefore, that the engineering "foundation" be solid.

Though these graduates do not follow the labyrinthine paths of specialization, they must, before receiving a degree, produce evidence of practical experience satisfactory to those administering the course. Within classrooms, they spend about 40% of their time on mechanical engineering, 40% electrical, and 20% "business."

The courses which are thought to be particularly useful as the graduate assumes administrative duties include the following: applied economics, accounting, industrial management, business policy, engineering economics, engineering law, industrial psychology, and manufacturing processes.

These courses reflect a growing appreciation of the fact that many of the problems confronting the engineering are "human problems." For instance, there are many cases in which wage payments, union activities, economic security, and hours of work are more important to the progress of an engineering job than are the purely technical aspects.

"Talk Our Language"

Furthermore, in the selling of specialized equipment, it is often an advantage to have someone in sales management who can "talk to engineers in their own language." In the purchasing department, it is essential that someone knows what factors are essential and what ones can be economically ignored in buying machines and material. In the personnel department, there is the entire field of time-motion study.

There is evidence that the course—first in any Canadian university—is being accepted in the community at large. Most reliable is the fact that, two months before graduation, 60% of the fourth-year students have jobs ready for them. British engineering faculties have demonstrated keener interest in this "engineering and business" course than in any other course at the university.

An alternative to letting a certain group of engineers pursue business studies in lieu of specializing in one of the technical fields has been suggested: it is that all engineers should receive this "human" training, which could only be done by lengthening the degree course from four to five years.

Prof. Allcut feels this is neither necessary nor desirable. A longer course would involve an extra expenditure of at least $1,000 would postpone the "self-supporting" date for an additional year, and would result in graduate engineers of little, if any, greater value to industry than they are now. Also, unless numerous additional scholarships were made available, the ultimate result would be to attract students with money rather than with brains.

G. M. GRAHAM

has been elected a director of Simpsons, Ltd., with which he has been connected for 20 years.

Could Tie In Federal - Ont. Housing Aid?

OTTAWA (Staff)—There is sharp interest here in the new promise of Canada's "banner" province to legislate provincial financial aid and thus augment over-all assistance to housebuilding.

What is now of widest interest is whether Col. Drew will offer any sort of mutual approach to co-operative aid. For example, if the Ontario plan is to include mortgage aid to housebuilding for ownership there would be an obvious opportunity for Ottawa to include any provincial aid in an equal rather than junior position to present federal assistance.

Pattern for Canada?

There seems every disposition here to do all possible to work out a mutual program with Ontario—especially as whatever is done between Ottawa and Queen's Park almost certainly would be of wide importance in working out like arrangements with other provinces.

Conceivably, a co-ordinated Ottawa-Queen's Park program for 1948 might have considerable effect on the number of houses that could be built with federal assistance this year. Mr. Howe last week, in replying to Canadian Congress of Labor's criticisms on housing stated that the Government's housing "objective" for 1948 was higher than "the 80,000 units completed in 1947." (Completions in 1947 are now officially put at 77,000.) But unless some special new factor is introduced such as a close working partnership between Ontario and Ottawa, it is hard to see at present how the 1947 mark can be exceeded.

One other important intimation by Mr. Howe to the CCL was that there may be a definite swing in the 1948 federal program toward the apartment type of construction, mainly because of shortage of serviced land at Canada's worst rental housing pressure spots.

Here's How U. K. Is Hoping To Hit Export Target Here

Cost is Barrier to Coal Shipments – Demand for Machinery High, Could Virtually Solve U. K. Dollar Problem

OTTAWA (Staff)—Despite disappointment over British anthracite coal, hopes are still high for an accelerating volume of British sales to the Canadian market.

Present 1948 target is $280 millions, against $190 millions last year, $140 millions in 1946, and a prewar high of $195 millions. January imports show an increase over December and close to a 50% rise over January, 1947. Chief reliance for 1948 is placed on textile, chinaware, automobiles, trucks and possibly some machinery and equipment.

Until recently, it had been hoped that Britain would be able to sell 250,000 tons of anthracite coal in Canada in the 1948 season, against prewar trade of about 1.5 million tons and recent token shipments of 35,000 tons (1947). But latest reports state that price factors may alter this. Britain may find herself in the embarrassing position of having coal to sell but being unable to market it in Canada because her costs are too high.

Cargo Refused

Recently two cargoes of British coal arrived at the Atlantic seaboard for sale at a price laid down about $6 higher than U. S. coal. One of these was accepted at St. John's, Newfoundland. The other was refused at Saint John, New Brunswick. When subsequently routed to Newfoundland, it was again turned down. The price "spread" on the tonnage now available during the 1948 season, is expected to be at least $3 a ton above present U. S. prices.

Undoubtedly U. K. coal authorities are eager to regain a foothold in the Canadian market. But present costs (unless some form of subsidy is permissible or acceptable) are said to make any large-scale volume of business out of the question at present. Even a $3 subsidy may be a hard "gap" for Canadian consumers. And real costs of British coal are said at the moment to be nearer the $6 figure. A representative of the British Coal Board has been in Canada sizing up the situation at first hand, and a definite policy for Canada is expected soon.

Big Boost in Textiles

An important Canadian textile group, representative of the women's wear and cutting-up trade, is now in the United Kingdom, following the visit of Sir Raymond Streat. There has also been a steady visitation of individual Canadian buyers, most of whom are reported as having come back with at least something more than they had expected. Few have found all they wanted but most are said to have found the trip at least justified. They look for some improvement in shipments in the second quarter and a considerable increase in the last half of 1948. The present goal for U. K. sales in Canada in 1948 is 100 million yds., against five million actually shipped in the base year, 1947.

Hopes for a substantial improvement in shipments of crockery and chinaware, are said to rest on U. K. ability to supply volume shipments of hotel ware, table crockery, open-end sets. These are the traditional lines where big British volume was built up in prewar days. Shipments have been currently very disappointing, since the British have concentrated on high-priced specialties such as quality cups and saucers, etc. There is a feeling in the Canadian trade that the saturation point is near in these lines and that real dollar volume can only be achieved through substantial increases in the "bread-and-butter" business. There is said to be an almost inexhaustible market for these lines in Canada, especially since in some provinces (Ontario) restaurants are prohibited by law from using broken or chipped china.

One point on which there is considerable controversy is the British fondness for packaging china exports in the traditional barrels, instead of cartons, the acceptable form for local distribution in Canada. Barrel containers have to be repackaged on this side for local distribution, it is stated, thus increasing cost and the possibility of breakage. If British firms would use cartons there would be no great difficulty having these supplied from this side where necessary, it is contended.

More Cars Coming

Motor car manufacturers in United Kingdom are currently very interested in the Canadian market, now that the temporary import ban is removed and a top limit of $7.5 millions is set for 1948. One firm (Austin) expects to do at least $3 millions of business in Canada this year, possibly $5 millions. Chief possibilities are in B. C. and some parts of Ontario.

One important possibility is the sale of heavy commercial vehicles such as the Leyland lorry. This firm is reported interested in possibilities of establishing an assembly firm here, to which knockdown units could be shipped. The difficulty is largely that of obtaining the necessary dollars to finance such a plant.

Early prospects of getting perhaps 100,000 tons of primary steel products in Canada in 1948, are now being sharply revised downwards. Present indications are for shipments of 20,000 tons. Whether this is a "floor" or a "ceiling" figure is not yet clear. Canada could easily absorb 100,000 tons of British sheet, pipe, etc., if there was any chance of getting it.

Could End Dollar Problem

In the field of machinery, engineering equipment, etc., there are sufficient Canadian orders virtually to solve the U.K-Canada dollar problem if British suppliers could only meet Canadian demand. One of the British trade commissioners in this country is sailing soon for the United Kingdom to see what can be done to get Canadian orders moved to a higher priority than at present. British prices are said to be definitely competitive in some lines although it is admitted that there is wide variety and unevenness here in prices and quotations. The basic trouble is: (a) Canada has never been looked on as a permanently satisfactory market; (b) the British manufacturers are currently over-committed in many lines — mostly from buyers who got in ahead of the Canadians.

However, there are said to be encouraging signs, and recent studies in the field of British food and chemical machinery suggest a new and lively interest in the Canadian market — something which has been almost entirely lacking in the past. In addition there are the traditional lines such as textile, power, and printing machinery where a very considerable business could be done if Canadian firms could get some assurance of priority attention. The traditional British idea that Canada is a poor market for this type of equipment, seems to be beginning to break down for the first time.

One further possibility for the future is the encouragement of British engineering service and technical organizations to take an interest in the Canadian field. Were this done to a greater extent, the chances of British equipment and supplies being used in the Canadian market might well be enhanced. The forthcoming Canadian Trade Fair at Toronto may have an important bearing on this situation.

Edmonton Again Leads "Integrated" Housing

From Our Own Correspondent

EDMONTON — Operative builders here will add again to the laurels of the business. They plan to erect 400 or 500 houses under Ottawa's "Integrated" program guaranteeing sale of the house in return for a fixed and lower-than-standard builder's price and profit. And that's almost double the 250 subsidized "wartime" rental houses proposed this year under a recent agreement between the city and Ottawa's official Central Mortgage & Housing Corp. As well, it's tops for comparable cities, if not for all Canada in the 1948 "Integrated" program.

City property already has been allocated and contracts approved by CMHC for 188 of the 1948 "Integrated" houses. These 188 will cost an average $7,000 or total $1.3 million.

Didn't Complete 42,215 Houses Started in 1947

OTTAWA (Staff) — There were 42,215 unfinished houses in Canada at the end of 1947 according to a Dominion Bureau of Statistics official survey. Corresponding figure for the 1946 year end is 40,170. Completed in 1947, according to an earlier DBS report were an estimated 76,738 houses and apartments.

In uncompleted housing the largest carryover was in Ontario, with 17,200, a 36% increase from year-end 1946. Quebec reported 9,000 incompleted units, a rise of 25% from a year ago. Nova Scotia and Prince Edward Island also showed increase in unfinished houses carried forward for new-year completion. But in those two provinces the rise was small. And all others reported sharp decline from yearend 1946 in the 1947 carryover. In each of the four Western provinces the decline was about 25%.

"Lake Rosseau in Autumn" *George Thomson*

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Luggage and cushions are only two examples of Plastahide's versatility. Made in many weights and finishes from paper-thin film to thick, luxurious leather-like material — you'll find it used for upholstering furniture, in shower curtains, handbags, table covers, shoes, restaurant and theatre seats, rainwear, baby pants, etc. A request on your stationery will bring sample swatches promptly.

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OAKVILLE, ONTARIO, CANADA

3 STEEL-CLAD ANSWERS TO YOUR BUILDING PROBLEMS

Framed with steel and covered with steel, the Quonsets are the answer to today's needs for new industrial and commercial buildings.

These sturdy, adaptable buildings reduce fire hazards ... and are free from the destructive action of rodents. Their arch-rib construction provides 100% usable floor space, while the lightweight Stran-Steel *nailable* framing members permit quick and easy erection. Extra sections can be added simply if more space is required, and entire Quonsets may be dismantled and re-erected in another place when necessary. Yet with all these advantages of Stran-Steel construction, the Quonsets cost no more than other buildings of comparable size.

Uses for the Quonsets are almost limitless. Among the many and varied applications are retail stores, produce and storage buildings, theaters, schools, implement and vehicle sheds, manufacturing plants, garages, repair shops. One or several Quonsets may prove to be the answer to your immediate needs. Get the facts now.

YOU NAIL TO STRAN-STEEL FRAMING

*REG. U. S. PAT. OFF.

Quonset 24

1 24' wide by any length, in sections of 12'. Supplied with front free-sliding doors, sectional front panels or open front.

Quonset 40

2 40' wide by any length, in sections of 20'. Big, free-sliding doors, four windows and ventilating louvers in end panels standard.

Quonset 20

3 20' wide by any length, in sections of 12'. Walk-door, two windows and ventilating louvers in end panels standard equipment.

GREAT LAKES STEEL CORPORATION

Stran-Steel Division • Dept. 63 • 93 Church Street • Toronto, Ont.

UNIT OF NATIONAL STEEL CORPORATION

INVESTMENTS THIS WEEK

Two Locomotive Stocks Reflect Drop in Earnings

Poor market action of the common stock of Canada's two locomotive companies recently was partly explained last week with the appearance of their 1947 annual report. Each showed a drop in earnings from 1946. Canadian Locomotive Co.'s net profit was down 36.1%; Montreal Locomotive Works Ltd.'s down 57.1%. Investors have been badly disappointed by the 1947 results.

Canadian Locomotive common is selling about $22½ a share, against a 1948 high of $30 and a low of $22 and a 1947 high of $37½. Montreal Locomotive common is about $14¼ a share, its lowest since issuance, against a 1948 high of $16½ and a 1947 high of $22½.

At current prices Canadian Loco. is selling at about 5 times its 1947 earnings of $4.49 a share. Montreal Loco. is selling about 7.9 times its 1947 earnings of $1.80 a share. In 1946 Canadian Loco. earned $7.04 a share; Montreal $4.19 a share.

Montreal Loco. is now selling at nearly the value of its working capital. Its working capital is equivalent to $13.84 a share at Dec. 31, 1947. Canadian Loco.'s working capital is equivalent to $9.75 a share.

Major reason for the drop in earnings of Montreal Locomotive Works was "the lower volume of business." However, a good level of production for 1948 is assured, the management states. It has a backlog of orders of $19 millions, almost double that of a year previously, including some $2 millions or orders for Diesel-electric locomotives, as well as steam locomotives. While difficulties in obtaining materials continue, the management feels it can surmount these and other production problems.

Canadian Locomotive produced 48 locomotives and 14 extra locomotive boilers in 1948 as against 94 locomotives in 1946. Deliveries in the latter half of the year were curtailed due to delay of railways in placing orders, and shortage of materials and supplies, President Wm. Casey states. "This condition has now improved and we look forward to greater production in 1948," he adds.

Neither company has any funded debt or preferred stock outstanding. Capitalization of each consists solely of common stock. Canadian Loco. has 159,596 shares outstanding; Montreal Loco. 700,000. These factors put shareholders in a strong position in relation to any change in earnings.

What materials are holding up production is not stated. Apparently shortages will be a factor in 1948 at least for Montreal Loco., as it states that its 1948 production schedule "contains periods of low production, occasioned by irregular deliveries of materials." Investors in each company might be given a little more information on this point.

Another factor about which investors are wondering, is whether the conversion of facilities to produce Diesel-electric engines affected earnings, and to what extent. It is reasonable to expect that a changeover of plants would slow production and probably affect profits.

With better material supplies, and so production, investors are looking for improved results for 1948. Actual results will depend on the effect of rising costs and other production problems. Uncertainty over this, together with disappointment over the 1947 results, will continue to be market factors for these two stocks. One way to help build up confidence of investors would be for the management of these companies to issue regular interim reports.

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Annual Reports

Main purpose of the annual report is to inform the owners — the stockholders — about their business, and to report on the trusteeship of management. To do this effectively, an annual report must be written in a clear, nontechnical manner; it must convey an understanding of the company's progress during the year, its earnings, its expenses, its standing at the year end, etc.; it should outline the problems which employees and management have had to face and may be called upon to face, with a reasonable indication of the company's outlook for the coming year or years.

A good annual report may serve as a goodwill ambassador among stockholders, employees, customers, suppliers and the general public. This should be remembered by management.

• • •

Abitibi Power & Paper Co. annual report for 1947 is attractive in appearance and page layouts; is well illustrated by clear simple graphs. Location and capacity of the company's mills are listed, while remarks cover most phases of the operations. The report of its subsidiary, Provincial Paper Ltd., not consolidated, is contained in the same cover. The distribution of the sales dollar shows 34.18c payrolls; 1.39c retirement income plan, group insurance, etc.; 27.07c materials and services; 5.76c provisions for depreciation and depletion; 15.67c income, corporation and municipal taxes; 2.85c bond interest; 3.84c dividends on preferred shares; 9.24c retained in the business.

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Massey-Harris Co. has further brightened its annual report through the use of color in its charts. Remarks cover most phases of the business and are well illustrated by charts. The company recognizes the sales and public relations value of its report by listing and picturing products and plants. A breakdown of its sales dollar for 1947 shows 55c materials, supplies and expenses; 33c employees' salaries, wages, pensions, etc.; 5.5c taxes; 1.6c depreciation; 1.6c dividends paid to shareholders; 3.3c retained in the business.

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Eddy Paper Co. recognizes the public relations and sales value of its report by reproducing some of the advertisements of its subsidiary, E. B. Eddy Co., which were designed to tell a complete graphic story of the range of products. It pays tribute to its employees in an unusual way by reproducing the pictures, unnamed, of one employee for each of 72 jobs.

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Fanny Farmer Candy Shops, Inc. annual report mentions the opening of more shops but does not say how many more, or how many are operated. This additional information would be helpful to shareholders. It gives some indication of how U. S. costs have risen by pointing out that fresh creamery butter costs 94¾c a lb., 55¼c higher than in 1941; fresh 24% cream costs $2.53 a gallon against $1.25 in 1941; and fine chocolate has increased 350% in price since before the war.

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Canadian Celanese Ltd. has brightened the appearance of its annual report by using color on the cover. It gives comparative figures for the balance sheet and income account, which is helpful to shareholders. This report might be improved by expanding the directors' report to include comments on problems, outlook, the effect on production of capital expenditures, etc.

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See Canadian Dollar As a Strong Currency

"On a comparative basis, the Canadian dollar appears to be one of the strong currencies," the Bank of Nova Scotia concludes in its February Monthly Review in the first of two articles on "The Question of Devaluation."

Four standards are discussed by the bank in assessing exchange rates. Considered the more important under present conditions, they are: (1) Comparative prices and competitive position in export markets. (2) Balance of payments and prospects of recovery. (3) Extent of inflation and its grip upon the country concerned. (4) Reserve and capital position.

Prices in Canada are low in relation to other countries and Canada's ability to compete in export markets is great, the Review points out. While Canada has an obvious U. S. dollar problem, it is not in the position of having a deficit in its total international transactions, as have most war-damaged countries and some others as well. Canada has no problem of reconstruction and her production is at the highest level in history, far in excess of prewar. Canada is one of the few countries with a budgetary surplus, and a money supply which has practically ceased to rise. As compared with prewar, the increase in Canada's money supply is one of the smaller increases and the expansion in this country's production is one of the greatest in the world, it states. And while Canada's exchange reserves have been sharply reduced, an appreciable reserve still remains, and the exchange saving program appears to be reasonably effective in checking the U. S. dollar drain, it states.

The Review emphasizes that one of the major considerations in appraising existing rates of exchange is the outlook for European recovery. Appropriate exchange rates are the rates which will facilitate recovery of production and establishment of more balanced and orderly economic conditions. Devaluation in itself is a quite adequate means of dealing with the urgent needs for reconstruction and subsistence which lie behind the dollar shortage, it points out.

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Expect Dominion Woollens Profit to Be Higher

Dominion Woollens & Worsteds, Ltd. net earnings for 1947 after providing for substantial reserves will be approximately double the current dividend rate of 80c a share, Gairdner & Co. states. Net for 1946 was equal to 69c a share.

The upward adjustment of wage levels permitted early in 1947 was immediately reflected in greater efficiency of operation and supply of labor, the firm states. The raising of price ceilings allowed a more satisfactory margin of profit and, as a result of these changes, there was a marked improvement in profit.

The outlook for 1948 at present, with the availability and efficiency of labor steadily increasing and the demand for the company's products several months ahead of output, is very promising, it is stated. With the substantial portion of the improvement of profits for 1947 taking place in the final nine months, 1948 may be expected to show a continuation of the improved earnings, the firm states.

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Yorkshire & Pacific Sec. Has 60th Anniversary

An attractive booklet entitled "Path of Progress, 'The Yorkshire' in British Columbia" has been published by The Yorkshire & Pacific Securities Limited in commemoration of its diamond jubilee.

After a glance at history, the booklet looks forward and sees "by its very geographical position Vancouver holds promise of becoming one of the key points of industry, commerce and air travel," together with possibilities for the rest of British Columbia. The booklet also outlines the services of the company's departments with pictures of the officers and directors.

S. E. BROCK

has been appointed assistant managing director and actuary of the Industrial Life Insurance Co., of Quebec; was formerly actuary, and a director.

Government, Municipal and Corporation Securities

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TOWNSHIP of NORTH YORK TENDERS FOR DEBENTURES

Sealed tenders, marked as to contents, will be received by the Clerk of the Township of North York, up to 12 o'clock noon, Wednesday, March 31st, 1948, for the purchase of the following instalment debentures:

$254,842.28 payable 1949 to 1958. Coupon Rate—3%.

$200,000.00 payable 1949 to 1963. Coupon Rate—3½%.

$100,000.00 payable 1949 to 1968. Coupon Rate—3½%.

$390,000.00 payable 1949 to 1968. Coupon Rate—3½%.

The debentures payable in the final year of each of the above issues are redeemable at the option of the Municipality at face value.

Highest or any tender not necessarily accepted.

Dated at Willowdale, Ontario, this 17th day of March, 1948.

GEO. H. MITCHELL, Reeve.

F. H. BROWN, Treasurer.

WHEN to BUY and WHEN to SELL

The bulletin "MARKET ACTION & INVESTMENT OUTLOOK" is issued once a week. It does not give you a lot of "ifs, ands or buts", and reasons why such and such a stock is attractive or otherwise.

It tells you EXACTLY WHAT TO DO.

In order to prove to you that we have what you want, we will send you a copy FREE. Simply write for Bulletin FP

Wetsel Market Bureau, Inc.
(Incorporated 1928)
EMPIRE STATE BUILDING, NEW YORK

Eaton's Raises New Money Through Realty Co. Bonds

A refunding and new issue of $25 millions first mortgage series A bonds of The T. Eaton Realty Company Limited is being offered by Dominion Securities Corp. Bonds will be dated March 15, 1948 and consist of $5 million 2¾% serial bonds due $500,000 March 15, 1950 and $750,000 a year March 15, 1951 to 1956, which have been sold privately, and $20 million 3½% sinking fund bonds due March 15, 1968, which are offered at $100 and accrued interest.

Proceeds will be used to the extent of $6,026,500 for redemption of its outstanding 4% first mortgage bonds Series A; $8,258,646 for purchase of additional properties from wholly-owned subsidiaries of The T. Eaton Company Ltd. and from others; $2,309,895 in payment for real estate in the City of Vancouver; $2,875,058 in the payment of indebtedness to the T. Eaton Company Limited, owing as at Jan. 15, 1948; and the balance will be used in the business of the realty company, including the acquisition or construction of further additions to fixed assets.

The Vancouver purchase includes provision for the payment of $1,850,000 to the Canadian Pacific Railway Co. for its old Vancouver Hotel property.

The T. Eaton Realty Company Limited was incorporated in 1929 and owns or holds under lease certain properties used in the business of The T. Eaton Company Limited, and certain of its subsidiaries. The T. Eaton Company Limited will covenant in its lease agreement with the Realty Company, among other things, to pay the Realty Company a rental in each year sufficient to provide for all interest and all sinking fund payments in respect of all bonds issued under the trust deed and outstanding, and all moneys required to pay at maturity any serial bonds issued and falling due in such year. Thus, in addition to the mortgage on the properties, bonds will have the additional security of the earning power of The T. Eaton Company Limited.

National Trust Co. has reported the commercial value of the freehold and leasehold interests of the Realty Company in land, building and equipment and improvements held at March 10, 1948, (excluding a parking station), taken on a conservative and fair basis to be $64,714,176 of which properties valued at $52,986,857 will, in the first instance, comprise the mortgage premises under the trust deed.

Capitalization of the Realty Company, on completion of the issue, will consist of $50 million authorized, $25 millions issued, first mortgage bonds; 120,000 authorized, 40,000 issued, common shares, par $100, which are owned, except directors' qualifying shares, by The T. Eaton Company Limited and 120,000 authorized and issued non-voting convertible shares, par $100.

Directors of the Realty Company are: John David Eaton, president; O. D. Vaughan, vice-president; J. Elliott, vice-president and secretary-treasurer; J. A. Livingstone; J. G. McKee; all of Toronto; and G. M. Eaton and R. S. McCordick, of Winnipeg.

Brazilian Trac. Jan. Earnings Increase 22%

Brazilian Traction, Light & Power Co. has started out 1948 with a sharp improvement in net profit. Estimated earnings for January are up 22.02% above the same month last year. For the second time in over a year, gross earnings showed a greater percentage rise than operating expenses. This continues the improved trend in earnings, discernible last October.

Brazilian Traction, Light & Power

January:	1948 $	1947 $	Incr. %
Gross earns.	7,594,088	7,141,762	11.37
Oper. expens. ..	5,751,725	5,336,859	7.77
*Net revenue ...	2,202,363	1,804,903	22.02

*Estimated.

All figures are subject to final adjustment when the annual accounts are made up.

Can. Breweries Profits Hold

Canadian Breweries Ltd. reports consolidated net profit for three months ended Jan. 31, 1948 of $1,474,133 against $1,369,181 for the corresponding period a year ago. This equals 67c and 68c a share respectively (fewer shares were outstanding in previous period).

Net sales were $20,319,436 as against $17,260,177 a year ago, but cost of goods sold, including $6,440,495 for government sales and excise taxes was higher at $13,327,273 ($10,811,978). Selling, general and administrative expenses increased $802,122 to $3,863,845.

Consolidated balance sheet at Jan. 31, 1948, shows cash, investments, receivables and inventories of $17,641,666 and $500,157 prepaid expenses. Current liabilities were $10,724,580.

EARNINGS STATEMENT

	Periods Ended Jan. 31 3 Mos. *1947	3 Mos. *1948
Oper. profit	$3,386,475	$3,128,319
Other income	81,187	88,980
Total income	3,467,662	3,217,299
Less: Depr. & amort..	512,837	526,978
Debent. & other int.	118,376	128,046
Loss on sale Invest.	20,000	......
Prov. for inc. tax ..	1,304,800	1,043,000
Minority interest ..	142,468	45,142
Net profit	1,369,181	1,474,133

*Includes Brewing Corp. of America.

Burnett to Buy Rand Serv. Stores

MONTREAL (Staff) — Shareholders of Rand Service Stores (Canada) have voted to sell all assets of the company to Burnett Ltd., it is announced this week.

Burnett will redeem all Rand preferred shares with accrued dividends and the 1,020 preferred shares and 600 common shares of Burnett Ltd., owned or controlled by Rand, will be exchanged for 80,785 no-par-value shares of Burnett stock, which is the exact number of Rand shares now outstanding. Rand shareholders, on the distribution of those shares, will receive one share of Burnett for one share of Rand.

Acquisition of the Rand dry-cleaning plant in Montreal and the 31 Rand stores, will result in Burnett being one of the largest dollar-volume dry-cleaning firms in Canada, it is stated. Burnett will continue as a quality cleaning organization. Rand Stores will not, at present, lose their identity as service outlets, it is stated.

The merger of production and distribution facilities on many processes is expected to result in lowered operating expense and more efficient utilization of both equipment and personnel, it is stated. Directors of Burnett are A. E. Hatfield, president; David S. Kaye, managing director; S. D. Denman, vice-president; H. W. Linstead, and R. M. H. DuBoyce. Application will be made for the listing of shares on the Montreal Curb Market.

Chalmers Press Bonds Offered

A new issue of $50,000 6% general mortgage sinking fund bonds of Chalmers Press Ltd., dated Jan. 15, 1948 and due Jan 15, 1968, is being offered at $100 and accrued interest to yield 6% by Wm. M. McCall & Co. Mr. McCall has an option to purchase these bonds exercisable within a period of four months from date of approval of sale by Ontario Securities Commission.

Chalmers Press Ltd. was originally formed two years ago by a group of ministers for the printing and publishing of religious works, including the New Testament in foreign languages, in Canada.

Incorporated as Chalmers Press Ltd. (private company) by letters patent dated July 30, 1946, with a capital of 40,000 no par value shares, the company was changed into a public company by supplementary letters patent dated Dec. 31, 1947 and the capitalization increased to 150,000 no par value shares. This became necessary on account of the increased business of the company and the necessity for additional capital, it is stated.

President of the company is Rev. Walter McCleary, a Secretary of the Upper Canada Bible Society, largest subsidiary for the British and Foreign Bible Society. He owns 18,539 shares.

Managing director is Roberts K. Williams, M.E.I.C. who owns 79,761 shares. The third director is Wm. M. McCall.

Plant is located at Elora, Ont.

Proceeds of the bond issue are to retire a $25,000 short-term loan with the Royal Bank of Canada and to provide working capital for future development.

Capitalization, after giving effect to the present financing, will consist of $50,000 authorized and issued general mortgage bonds, and 150,000 authorized, 98,300 issued, no par value common shares.

BAY-ADELAIDE GARAGE LTD. holders of first mortgage 6½% bonds and second mortgage 6½% bonds at a meeting on March 8, 1948, approved a plan of reorganization.

Holders of first mortgage bonds will have the maturity date extended from April 15, 1947 to Jan. 1, 1968, the interest rate changed to 4½% from and after Jan. 1, 1948 and will receive 2 4/10 common shares, no par value, for each $100 bond. Coupons due April 15, 1937 and subsequent, should be attached, but special provisions are made in case any such coupons have been detached.

Holders of second mortgage bonds will have maturity extended from Apr. 15, 1947 to Jan. 1 1968 and the interest rate changed to 3% from and after Jan. 1, 1948. Coupons due Oct. 15, 1931 and subsequent shall be attached but special provisions are made in case some have been detached.

Capital stock will be changed to consist of 15,009 no par value common shares of which 7,709 shares will be distributed among holders of the first mortgage bonds, 5,800 shares to the holders of the 1,000 7% cumulative redeemable preference shares and 1,500 common shares to holders of the present 15,000 common shares, no par value.

Operating profits of Bay Adelaide Garage for the ten months ended Dec. 31, 1947, totalled $26,303, and after providing $19,538 for bond interest and $5,330 for depreciation, net profit was $1,434. Deficit account at the end of 1947 amounted to $389,260. Current assets aggregated $32,826; current liabilities, including accrued bond interest of $262,461, totalled $270,509.

Mobilize Paper Industry to Earn More U.S. Dollars

OTTAWA (Staff) — Robert M. Fowler, president of the Canadian Pulp and Paper Association, has been loaned to the department of Reconstruction and Supply to make a special study of the paper industry in Canada, in relation to the United States dollar shortage. He will explore ways and means of increasing the flow of United States dollars into Canada, from this industry.

Importance of this industry in terms of dollar flow, is shown in a DBS breakdown of 1947 export figures. Total value of pulp and paper exports to United States was $419.7 millions, a record high, 25% in value above 1946's $328.8 millions.

Chief item was 73.5 million cwt. of newsprint valued at $292 millions (66.5 million cwt. valued at $225 millions in 1946).

Feb. Output Of Newsprint Up in Canada

MONTREAL (Staff)—There is no relief in sight from the newsprint shortage. Production figures for February indicate that while Canadian output is up slightly in 1948, the over-all North American production is some 12,000 tons less than this time last year.

Even Canadian manufacturers are not making the production records, which they chalked up last year. For the first two months of 1948 they produced 716,262 tons; about 5,000 tons more than in 1947 or an increase of 0.7%. Last year, however, the industry was operating at 101% of capacity but so far in 1948 it has failed to reach 100. In January the production rate was 98.6 and in February 99.1; but this latter figure was due in part to the extra working day in the leap year. (The rated capacity of the industry is based on 309 working days and there are 310 in 1948).

Biggest production drop so far has occurred in Newfoundland. There output has decreased 14.5% or 8,936 tons during the first two months. Although the percentage decline in United States is less, the drop in volume of production is about the same at 8,325 tons. Together they represent a total decline in output of 17,288 tons. If the increase of 5,000 tons in Canadian production is deducted there is still a net drop of 12,274 tons. This is partially offset by an increase over 1947 of 6,000 tons in U. S. imports of Scandinavian newsprint in January.

Newsprint men wonder whether the two months' production figures, particularly of the United States, indicate the beginning of a further declining trend in U. S. newsprint production. If so, it would appear that U. S. papermakers are still converting their newsprint machines to other grades of paper.

Normally, this situation would lead to a more acute newsprint shortage in the United States in 1948 than last year. Fortunately for U. S. publishers, however, that country is receiving more newsprint from Canada this year than in 1947. This is due almost entirely to the greatly reduced overseas shipments. In the first two months of 1948 Canada has exported 38,370 tons more newsprint to the United States than it did in 1947. At the same time overseas shipments have dropped more than 30,000 tons. Proportionate to Newfoundland production, the same thing is taking place in that country's newsprint shipments.

FORMAQUE GOLD MINES' shareholders approved plan to sell company's property, buildings and equipment to a new company for 1,550,000 shares and assumption of liabilities. Formaque capital structure will remain intact and assets will comprise the new stock and 600,000 shares of Sevcourt Mines.

EXECUTIVE WANTED
by a Client of this Advertising Agency

Here is an excellent opportunity for an experienced accountant at present employed by an Insurance Company.

He should have administrative and executive ability, a good appearance, good health and a definite sales outlook. A married veteran, between 32 and 36 years of age, is preferred.

Must be eligible for bond.

Replies must be in his own handwriting and should include a recent snapshot. All applications confidential. Address to:

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Vancouver— a City with a Future

The City of Vancouver is Canada's third largest city and principal western seaport. It is strategically located with extensive lumbering, fishing and agricultural industries, as well as mining, being carried on in the surrounding territory.

In addition it is an important manufacturing centre with more than 1,000 diversified industries.

We offer, as principals, the new issue of

City of Vancouver
3½% Debentures
Due April 1st, 1968
Denomination: $1,000
Price: 99.00 and interest, to yield 3.57%

The City has shown consistent growth, its population increasing over 39% from 1936 to 1947. Total tax collections, including both current taxes and arrears, for the past ten years, have averaged 102.9% of the current levies.

A circular will be forwarded upon request.

Wood, Gundy & Company
Limited
Toronto Montreal Winnipeg Vancouver
Ottawa Hamilton London, Ont. Kitchener
Regina Edmonton New Westminster Victoria
New York Halifax London, Eng.

Woods, Dryden Merge Bag Mfg.

MONTREAL (Staff)—A new Winnipeg company, Woods-Dryden Paper Bags Ltd. is scheduled to commence production on April 1, bringing together the operations of Woods Mfg. Co. of Winnipeg and Dryden Paper Co., in the paper bag field. It will take over the paper bag manufacturing phase of Dryden Paper, which was formerly at Dryden, Ont. It is stated that Dryden Paper has a large interest in the new company. Head office will be in Winnipeg.

Authorized capital of Woods-Dryden Paper Bags consists of 2,000 5% cumulative redeemable preferred shares, par value $100, and 50,000 no-par-value common shares.

Directors are: H. Roy Crabtree, president; E. Lorne Goodall, vice-president; J. Buffie, general manager; R. B. Moffit, secretary-treasurer, and R. R. McLernon. Sales of the new company will be handled by Dryden Paper Sales.

POSITION AVAILABLE
Experienced Accountant—Preferably Chartered Accountant

Large manufacturing company located in Western Ontario requires the services of an accountant to take charge of accounting department.

BOX 171, THE FINANCIAL POST, TORONTO 2

DALHOUSIE UNIVERSITY
HALIFAX, N.S.

Applications from Chartered Accountants are invited for an Assistant or Associate Professorship in Accountancy. Salary according to qualifications and experience, within the scale of $3,000 to $4,000. Duties to commence September 1, 1948. Applications should be addressed to the President, Dalhousie University, Halifax, N.S.

STORE MANAGER WANTED

This is an excellent opening for an aggressive merchandiser who can organize and lead his staff.

Departmental store experience would be helpful and we would like him in the 35-45 age group.

We operate three large retail stores specializing in hardware, electrical appliances, etc. The man we want must be of the calibre who can advance quickly to the position of supervisor of stores.

Initial salary is good. In addition to this he will participate in a bonus and profit-sharing plan.

BOX 162, THE FINANCIAL POST

VALUABLE KINGSTON BUSINESS PROPERTY FOR SALE BY TENDER

Sealed tenders will be received by the undersigned up to the eighth day of April, 1948, at noon, for the sale of the property known as the Colonial Coach Lines Garage situated on Queen Street between Montreal and Sydenham Streets in the City of Kingston, upon which there is said to be:—

(a) A single storey brick and steel stone wall building, metal clad frame roof approximately 136′ x 63′ with adjoining wing 53′ x 33½′.

(b) Large open yard containing 2-1000 gallon tanks and pumps.

(c) Two metal clad frame single storey buildings and a single storey single block stucco building adjoining yard.

(d) Two storey cement block stucco building: Ground Floor containing boiler room and coal shed SECOND Floor containing modern office accommodation.

(e) Right of Way from property to Montreal Street.

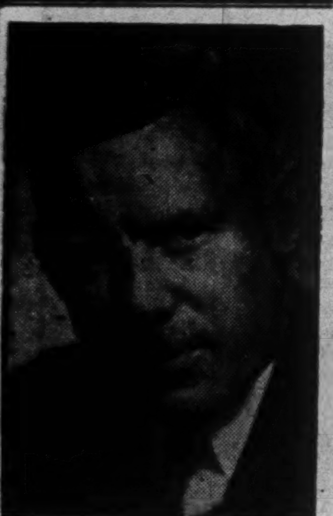
All the above property is situated in the centre of the best business property in the City of Kingston.

Any details or further information in connection with this property may be obtained from the undersigned.

Highest or any tender will not necessarily be accepted.

Terms: Cash.

D. G. CUNNINGHAM
Barrister
38 Clarence Street,
KINGSTON, ONT.
Solicitor for the Owners.



CARL W. BURROWS

Mr. Burrows, for the second consecutive year, led the entire field force of Occidental Life in production of Life Insurance during 1947. He also repeated a previous accomplishment by paying for over One Million Dollars of new business in each of the past two years. Mr. Burrows is associated with the Val Taylor Agency at Kitchener, Ontario.

OPPORTUNITY for Business Man

Capable of assuming senior executive position. Able to invest from $5,000 to $10,000 in Industrial Display Company planning immediate expansion.

Apply in writing c/o H. B. Branscombe, K.C., Suite 1403, 330 Bay Street, Toronto.

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300,000
WESTERN CANADIAN RURAL FAMILIES
1947 FARM CASH RETURNS ADDED $1 BILLION TO THIS MARKET

Here's your chance to buy the basic list of a flourishing direct mail merchandising firm — Hollerith punch-card record of names collected at great expense and used successfully. Farmers coded as a separate category.

Since we have changed our addressing system this duplicate list is surplus. Prepared to sell at a fraction of the original cost. What do you offer?

WRITE BOX 165, THE FINANCIAL POST, TORONTO 2, ONT.

WE OFFER FOR IMMEDIATE SALE

as a going concern

THE LARGEST PRODUCING TALC MINE IN CANADA

New mill — complete up-to-date equipment — stable business — consistent profits.

Owners retiring — only financially responsible parties considered.

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Investment Experience and Service

We offer an investment service based upon over a quarter century of experience in marketing Canadian Government, Municipal and Corporation Securities.

Our experience, knowledge and facilities are cordially extended to both small and large investors who desire careful attention to their investment requirements.

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Canadian Chartered Bank Shares

A comparison of the shares of seven Canadian chartered banks

A copy is yours for the asking

Cochran, Murray & Hay
MEMBERS TORONTO STOCK EXCHANGE
ADELAIDE 9161
DOMINION BANK BUILDING TORONTO

MANAGED INVESTMENT

More Simpsons "A" Stock Bought For Compton Fund

As a result of a "switch" from Dom. of Canada bond to Simpsons "A" common, and increased dividend payments by two companies represented in his investment portfolio, Compton's expected annual rate of income has reached a new high of $707.58.

The Compton Fund Transactions

PURCHASE

No. of shares	Security	Cost price per share	Amount
5	Simpsons A com.	$24	$121.25

SALES

Security	Cost price per share	Amount
$100 Dom. of Can. 3%, 1959-62	$100.25	$101.61*

*Includes accrued interest of $0.36.

Compton's Manager Says:

This "switch" raises Mr. Compton's expected annual rate of income by $4.50. As a shareholder of Hiram Walker-Gooderham & Worts and Consolidated Lithographing Co., Mr. Compton cannot but welcome the news of dividend increases by both companies.

During the past month directors of Hiram Walkers declared a special dividend of 37½c a share, payable April 15. President H. R. Walton states that this special dividend was declared to pass on to shareholders the benefit of an extraordinary and nonrecurring dividend, recently received by the company from Canadian Industrial Alcohol Co., on the shares of that company owned by Hiram Walker.

Directors of Consolidated Lithographing Co. have declared a quarterly dividend of 40c a share payable March 31, an increase from the 25c a share, in effect since Sept. 30, 1947. The initial 19c a share on the present common stock was paid on Dec. 31, 1946, and the rate maintained quarterly to June 30, 1947.

Mr. Compton's annual rate of income is now $707.58, $313.83 higher than when his account was taken over on Dec. 15, 1944. Thus, after deduction of $25 monthly for his personal expenses Mr. Compton can, from now on, reinvest a surplus income from his investments, greater than was the whole of his investment income at the close of 1944.

For the period from Feb. 16 to March 15, Mr. Compton received income amounting to $42.84 from interest and dividends. After the regular $25 withdrawal for living expenses the balance, $17.84, has been transferred to cash account which, on March 15, showed a net cash balance of $77.93.

As between Dec. 15, 1944, when Mr. Compton's account was taken over, and March 15, 1948, the following is the broad change in position.

	Dec. 15/44 Principal Sum	Mar. 15/48 Principal Sum
Bonds	....	$2,569.17
Pref. stocks	$925.00	4,767.50
Common stocks	6,661.25	4,384.70
Mining stocks	1,750.00	1,413.50
Cash	663.75	77.93
	$10,000.00	$13,212.80

The Compton Account Now Stands

No. of Shares	Security	Cost per sh.	*Market per sh.
	Common Stocks		
10	Can. & Dom. Sugar	22	15¾
20	Can. Canners	19⅞	17¾
10	Can. Pacific Rlwy.	13¼	13
20	Consol. Litho.	17¼	25
5	Consol. Smelters	85	95
5	Goodyear	95½	106
15	John Labatt	20	23½
35	Montreal Locomotive	18	14¼
140	York Knit. Mills B	3⅛	4
15	Walkers	26⅝	24¾
10	Gypsum, Lime	14	13½
5	Nat. Steel Car	20¾	19⅝
15	Simpsons A	25¾	24¼
	Preferred Stocks		
35	Abitibi, $1.50 pfd.	20¾	18⅝
30	Can. Wire Box, A	23¾	24
25	E. B. Eddy Co., $1	22	17
25	Riverside Silk, A	32⅛	30
30	D. Stuart Oil	16¼	18
50	McCabe Grain, A	11	7½
120	York Knit. Mills A	7¾	7¾
	Mining Stocks		
100	Teck-Hughes	3.90	3.05
5	McIntyre	64½	64
15	Kerr-Addison	16¼	14
10	Hudson Bay	45¾	44¾
	Bonds		
$1,100	Can., 3% 1957/60	100½	100½
$1,400	Can., 3% 1959/62	100.98	100⅛
	Cash		$77.93
	Curr. Market Value of Fund		$12,786.44
	Average Yield on Original $10,000		7.08%

*Bid price on Mar. 15, 1948.

The Financial Post assumes no responsibility for the specific buy and sell recommendation reported here. The changes and reasons for them are made entirely on the responsibility of two investment managers who have undertaken management of two hypothetical investment funds, the operations of which are reported for readers of The Financial Post.

The buying and selling of an individual security for one of these funds does not and should not be interpreted as indicating the wisdom of any individual taking similar action. What is wise for one individual in certain economic circumstances and with a certain list of securities may be entirely unwise for another individual.

Purpose of this continuing feature is to illustrate by actual example, the principles of sound investing based on experience, knowledge and constant attention.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

AMERICAN CYANAMID CO. net sales of $214,581,400 are up 19.9% in 1947. Net profit of $9,156,249 is up 5.3%.

Sales volume would have been greater had not continuing shortages of some important raw materials during the year interfered with the company's operations, President W. B. Bell states. Earnings and sales were adversely affected also by a strike of several weeks' duration at the plant at Bridgeville, Pa., and by increased costs for materials and labor, he adds.

The major portion of the company's program for plant additions and improvements will have been completed during the early months of 1948. Some $33.5 millions was spent in 1947 and in addition $7,362,874 advanced to associated companies for their construction programs.

CONSOL. INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net sales	$214,581,400	$178,952,811
Net earnings	37,491,894	30,946,944
Less: Depr. & depl.	6,808,224	4,979,461
Devel. exp.	11,510,458	8,879,967
Int. charges	1,314,891	1,059,001
Inc. tax res.	5,600,000	4,900,000
Empl. pens. fd.	3,102,072	2,435,634
Net profit	9,156,249	8,692,881
Less: Pref. div.	1,054,745	740,887
Com. divs.	4,106,423	4,091,038
Surplus for year	3,995,081	3,860,955
Times Fixed Charges Earned:		
Before depr., etc.	19.76	20.84
After depr., etc.	14.58	16.14
Earnings per Share and Dividend Record:		
Preferred	$23.42	†$5.87
Paid (new)	1.75	......
Paid (old)	0.25	0.50
Common	2.96	2.90
Paid	1.00+0.50	1.50

†5% pref. redeemed July 30, 1947.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & govt., sec.	$34,150,068	$32,750,799
Acts. rec.	21,133,747	16,713,612
Inventories	46,576,202	37,591,706
Total curr. assets	101,860,017	87,056,117
Inv. in assoc. cos.	14,742,915	7,380,042
Misc. assets▲	5,555,509	4,711,508
Prop. & patents*	84,460,355	62,973,530
Total assets	206,618,796	162,121,197
Due bank	326,666	......
Accts. & tax. pay.	31,236,870	30,695,036
Divds. pay.	2,395,396	869,603
Accr. bond int.	271,245	255,937
Total curr. liab.	34,230,177	31,820,576
Funded debt	61,740,000	42,020,000
Reserves, etc.	1,179,223	5,407,934
Capital stock	66,477,660	42,193,000
Capital surplus	11,669,668	10,978,242
Earned surplus▲	31,322,068	29,701,445
▲Incl. ref. EPT	869,767	882,531
*After depr. of	69,799,899	65,634,408
Working capital	67,629,840	55,235,541

G. TAMBLYN LTD. store sales in 1947 of $7,052,903 reached record volume and were up $614,115 or 9.54% from 1946. The net profit of $294,139 was up 18.1%.

Working capital increased $148,277. A substantial portion of this was realized from the sale during the year of four store properties, President H. G. Browne states.

Four new units were added in 1947—three in Toronto, namely Eglinton Ave. West, at Dufferin St., Eglinton Ave. East at Laird Drive, and Bloor St. West at Willingdon Ave. and one in North Bay. Plans for the current year include the opening of stores in other Ontario cities, not presently serviced as well as in new locations in the greater Toronto area, Mr. Browne states.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$774,005	$657,538
Less: Deprec., etc.	68,237	52,177
Pension fund	67,955	80,107
Invent. res.	50,000	......
Loss on fix. assets	•1,833	729
Income tax res.	295,507	275,502
Net profit	294,139	249,023
Less: Pref. divds.	20,000	18,357
Common divds.	168,000	140,000
Surplus for year	106,139	90,666

•Profit.

Earnings per Share and Dividend Record:	1947	1946
Preferred	$29.41	$24.90
Paid (new)	2.00	1.34¼
Paid (old)	...	0.62½+0.197†
Common	2.45	2.06
Paid	1.00+0.50	0.80+0.45

†Pd. on redempt. May 1, 1946.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & govt. bds.	$663,031	$578,165
Accts. rec.	55,782	44,554
Inventories	1,546,882	1,229,137
Total curr. assets	2,265,695	1,851,856
Inv. & adv. sub. co.	11,789	4,031
Misc. assets▲	212,981	213,143
Fixed assets*	593,638	549,107
Total assets	3,084,103	2,618,137
Accts., etc., pay.	716,299	546,916
Taxes payable	170,791	74,612
Total curr. liab.	887,090	621,528
Invent. res.	50,000	......
Capital stock	540,000	540,000
Capital surplus	411,900	411,900
Earned surplus▲	1,195,113	1,044,709
*After depr. of	642,073	654,739
▲Incl. ref. EPT	198,235	198,235
Working capital	1,378,605	1,230,328

SANTIAGO MINES has acquired the partly developed Alexandria group of seven claims at Phillips Arm, B.C. Santiago plans to rehabilitate workings, including dewatering of a 250-ft. shaft in main tunnel.

TO RENT FOR A PERIOD OF 12 MONTHS

Link-Belt one yard gasoline operated 50, Crane and Shovel, with cab mounted on crawlers. A-1 condition. Avoid capital investment and charge monthly rentals to expenses. Write for full particulars.

DUKE EQUIPMENT CO. LTD.
297 DUKE ST., MONTREAL, P.Q.
Halifax — Fredericton — Quebec City — Sherbrooke — Ottawa — Toronto — Winnipeg — Regina — Vancouver

Tenders for Debentures

Sealed Tenders for an issue of $28,000.00, Township of King, 3½% Debentures dated the 1st day of April, 1948, due annually on the 1st day of April in each of the years 1949 to 1958 with interest payable semi-annually.

Being issued for the purpose of paying the cost of the Erection of a School House, and for the purpose of Repairs and Improvements to the School Property; will be received by the undersigned up to 12:00 o'clock noon, Saturday, the 3rd day of April, 1948.

The highest or any tender received not necessarily to be accepted.

The above Debentures will be redeemable in whole or in part at one hundred per centum of face value and accrued interest at any time prior to maturity upon thirty days notice.

H. G. ROSE,
Treasurer, Township of King,
Nobleton, Ontario.

Tender for Debenture

Sealed Tenders for an issue of $46,000.00, Township of King, 3% Debentures dated the 1st day of May, 1948, due annually on the 1st day of May in each of the years 1949 to 1968, with interest payable semi-annually.

Being issued for the purpose of paying the cost of the Construction of a System of Waterworks in a defined area of the Township of King; will be received by the undersigned up to 12:00 o'clock noon, Saturday, the 3rd day of April, 1948.

The highest or any tender received not necessarily to be accepted.

The above Debentures will be redeemable in whole or in part at one hundred per centum of face value and accrued interest at any time prior to maturity upon thirty days notice.

H. G. ROSE,
Treasurer, Township of King,
Nobleton, Ontario.

CLARENCE WALLACE

president of Burrard Dry Docks Co., Vancouver, has been appointed director of Commonwealth International Corp.

Taylor Sees Increase In Argus Corp. Income

A further increase in the net income of Argus Corp. appears assured for the current year, President E. P. Taylor told shareholders at the recent annual meeting. Net income for the past year available for dividends on the preferred and common shares was approximately double what it was for the previous year, he pointed out. Directors have accordingly increased the rate of dividend on the common shares to 15c per quarter.

In pointing out that assets are largely invested in the common shares of seven Canadian companies—British Columbia Forest Products Ltd., Canadian Breweries Ltd., Canadian Food Products Ltd., Dominion Stores Ltd., Massey-Harris Co., Orange Crush Ltd., and Standard Chemical Co.—Mr. Taylor said the prospects for those companies during the current year are favorable, and directors believe they are all capable of continued growth and increased earnings.

Manitoba Budget Is $33,679,131

From Our Own Correspondent

WINNIPEG — Manitoba will spend a record $33,679,131 in the fiscal year 1948-49, $4,273,742 higher than during the current year, Premier Stuart Garson predicted in his budget speech here this week. He forecast increased expenditures in every department, including higher salaries for civil servants. Proposed expenditures also include $1.3 millions, ordinarily chargeable to capital account, for possible highways and natural resources development. Public works appropriations, at $7,734,092, are up $971,392, Estimates include another $750,000 for the Reserve Fund set up in 1940 for war and postwar emergencies.

FOR RENT

Main business street, Belleville, 750 feet first-class second floor office space. Will alter to suit 5-year tenant. Also heated store. Apply Robb, Park & Lennox, Belleville.

Trained Accountant WANTED

Well known Company with Dominion-wide interests has vacancy for competent Accountant in its Winnipeg Office.

If you are about 35-38 years of age; thoroughly trained in accounting; have a practical background of commercial activity, this vacancy offers an opportunity.

Commencing Salary $5,000.

Applicants should give full details including education, accounting training, business experience, etc.

All applications will be held in STRICT CONFIDENCE.

APPLY ADVERTISER, P.O. BOX 2945, WINNIPEG, MAN.

CANADIAN GOVERNMENT PROVINCIAL AND MUNICIPAL SECURITIES

BELL, GOUINLOCK & CO.
LIMITED
ESTABLISHED 1920
MONTREAL TORONTO WINNIPEG

AGENCIES WANTED

FIRST CLASS REPRESENTATIVES only with approved connections, wanted by group of British firms (Pottery, Glassware, Leather Goods, Textiles, Cutlery, Fashion Goods, etc.) shortly entering the Canadian market. Splendid opportunity for live salesmen. Interviews in Toronto April 9th to 16th.

WRITE BOX NO. 167, THE FINANCIAL POST, 481 University Avenue, Toronto 2.

A complete selection of FRENCH MERCHANDISE now available for export will be displayed at the

LYONS INTERNATIONAL TRADE FAIR

APRIL 3rd TO APRIL 12th, 1948

For free admission card, apply to any French Consulate or the Commercial Services of the French Embassy.

New Issue

$40,000,000
Province of Ontario
3% Debentures

To be dated April 15th, 1948 — To mature April 15th, 1965

Principal and half-yearly interest (April 15th and October 15th) payable in lawful money of Canada in Toronto or Montreal at the holder's option. Denomination: $1,000. Debentures may be registered as to principal. Redeemable as a whole, but not in part, on thirty days' notice on any interest date on or after April 15th, 1962 at 100 and interest.

Legal Opinion: Messrs. Daly, Thistle, Judson & McTaggart.

In the opinion of Counsel, these Debentures will be direct obligations of the Province of Ontario, and principal and interest will be payable out of the Consolidated Revenue Fund of the Province. The proceeds of this issue will be used for refunding purposes.

Information regarding the financial position of the Province will be found in the official circular, which is available upon request.

It is expected that Debentures in interim form will be ready for delivery on or about April 15th, 1948. We offer as principals these Debentures, if, as and when issued and accepted by us, and subject to the approval of Counsel.

Price: 98.75 and interest, to yield 3.09%

Wood, Gundy & Company Limited — McLeod, Young, Weir & Company Limited
A. E. Ames & Co. Limited — Bell, Gouinlock & Company, Limited
Dominion Securities Corpn. Limited — Mills, Spence & Co., Limited
R. A. Daly Co. Limited — Royal Securities Corporation Limited
Gairdner & Company Limited — McTaggart, Hannaford, Birks & Gordon Limited
Bartlett, Cayley and Company Limited — Midland Securities Limited
A. M. Ramsay & Co. — Cochran, Murray & Co. Limited
Brawley, Cathers & Co., — Harrison & Company Limited
Anderson & Company — Fry & Company
J. L. Graham & Company Limited — Matthews & Company
Charles H. Burgess & Company — Collier, Norris & Quinlan Limited
Flemming & Company — Burns Bros. & Denton Limited
Ormsby Doherty & Company — Fairclough & Company Limited

The information contained in this advertisement is based upon statements on which we have relied. We do not guarantee but believe the information herein to be true.

We Need More Builders

"Why bring more people to this country when we haven't got enough houses for those already here?"

That is a stock argument of those who do not wish to see Canada open its doors to wide-scale immigration, of those who would like to keep a tight little monopoly on the business of developing this country. It is not a good argument and it should be ignored.

The reason we have not enough houses in this country is because we have too few people building houses just as we have too few people for other pressing jobs. The result is a crazy price for those houses we have been building, a price utterly beyond the buying ability of the average man who needs a house. And we are not going to get cheaper houses until we have far more people who are able to build them, far more carpenters, masons, roofers, tinsmiths, tile layers, plumbers and electricians.

There are plenty of people in Europe who can do these jobs or who could quickly learn to do them. They would come here on the next boat if we would say the word. We can absorb the farm laborers, domestics and other classes of immigrants that the authorities are concentrating on, but we need a lot of the artisan type, too. (See "What Jobs for Immigrants" on the opposite page.)

Until we get the skilled workers we are going to continue waiting weeks and months to secure the services of plasterer, bricklayer, electrician or tile layer and we are going to pay fantastic prices. It is these delays and fantastic prices that are keeping new housing out of the reach of the average man.

In most cities today, construction men tell The Financial Post, it costs an average of 10 cents for every brick laid. This is at least twice the prewar cost and means that the bricklaying bill alone for an average 6-room house runs around $1,200.

The other day a Post reader had an additional sink installed. There were no special difficulties, and no special or elaborate equipment but the bill was $360 or just $240 above a prewar estimate for the same job. Another reader reported a drain dug up in the cellar and twelve new tiles installed. The bill in this case was $62.50, or at the rate of over $5 per tile compared with less than $12 for a similar job in 1937. A Toronto man reports paying $105 for the installation of heavy wiring for an electric range. The prewar standard charge for this service was a flat $35.

Not only are all these costs today treble or more the prewar rate but one waits weeks before securing the necessary services and there are endless delays during the various stages of installation.

It is this sort of thing that is responsible for our present housing shortage and there will be no cure until we have far more people building houses and far more people getting out the timber, and making the brick and other materials necessary to build more houses. And in other branches of construction, in other lines of primary development, the same bottleneck occurs.

Back in the days of massive immigration before and after the turn of the century, there was no surplus of houses in this country, no ready-made farms and jobs for the hundred of thousands of new people which came from Europe. They came and built their own houses, cleared their own farms, created their own jobs. If we open our doors, and bring in any people who are willing to work, we can see that early development and prosperity repeated.

This Will Solve Dollar Problem

When a few more big Canadian companies are able to make an announcement like Massey-Harris did last week our dollar troubles will be over. In a quarter-page advertisement in The Financial Post readers saw a picture of a trainload of Massey-Harris combines moving to the United States. Underneath they read this:

> "Massey-Harris ships more Canadian built machines to the United States than to either United Kingdom, Europe, Africa or South America. The United States is the company's best customer next to its home market in Canada. From the export of combines and other machines, Massey-Harris brings millions of U. S. dollars across the border every year to add to the credit side of Canada's export-import trade account . . . Massey-Harris has demonstrated that Canadian engineering and craftsmanship can compete with American manufacturers in the production of goods for sale to United States consumers."

The International Harvester Co. of Canada also exports farm implements in large volume from its Hamilton works and is the sole source of supply in the world market for its line of grain drills, stationary threshing machines, windrow harvesters, rod weeders, field cultivators, land packers, brush-breaker plows and a new line of harrow plows. This farm equipment goes to all parts of the world, with the largest proportion going to the United States.

That sort of trade is vital to Canada and vital to the United States, too. Receipts from these exports will be used to purchase in the United States materials, equipment and supplies that cannot be obtained in Canada. This is the kind of real trade, of real industrial integration, that will keep both countries flourishing. The world needs more of this sort of expansion, and much less of the restrictions that in the end will only make us poorer.

You'll Hire or Else—

Here is the latest example of the shocking gangster tactics of the Musician's Union.

The Canadian Sportsmen's Show which entertained thousands at Toronto's Coliseum this week has no more need of a big orchestra—or any orchestra—than a dog needs two tails. None of the acts require, or in the slightest way benefit from, musical accompaniment.

But this racket union did its usual "stick-up." It went to the show management, declared, "You'll hire a 30-piece orchestra—or else."

In this case the "or else" was a threat to pull all the electricians, put the place in darkness. Pay demanded by the musician's union was, reputedly, $4,000, though we understand this "squeeze" was finally whittled down.

The 30 musicians do a few ridiculously brief bits of fiddling because the show has no place for them. Their presence, under the shake-down system employed, is an affront to decent people.

Restaurant owners and others should know how the union operates.

Once let musicians play in your place for any purpose and you may find it designated by the union as a "live spot"—that is, one which it regards as a place for the continued employment of musicians. From that day forward, you will be at the mercy of the union. It will tell you who to hire, how many, at what pay. It may forbid you to use any other kind of music, either from a juke box or wired recordings.

Until this union changes its tactics and learns the elementals of honorable conduct, the only safe course in any area where a musicians' union operates is never to hire any musicians for any purpose.

Let's Talk it Over

Whether or not Newfoundland decides to throw in its lot with Canada is a matter that must and should be decided by Newfoundlanders themselves. But that does not mean that Canadians should refuse to take any interest in this problem until a decision has been reached. Both people are vitally concerned. The fullest possible understanding now will be of the utmost importance to our future relations no matter how the vote goes in Newfoundland this May.

To that understanding C. C. Pratt made a most valuable contribution at the Toronto Canadian Club meeting this week. Mr. Pratt is a native of Newfoundland, the head of one of the oldest merchandising firms in St. John's, and incidentally the brother of a leading Canadian poet.

Whether or not Canadians will agree with Mr. Pratt that Ottawa should offer more generous terms to Newfoundland there will be solid approval of his warning that, "it will be regrettable and embarrassing for both of us if a decision either favorable or adverse to confederation is made prematurely."

Newfoundland today, Mr. Pratt pointed out, is a far different country from the one which decided against confederation in 1867 and again in 1895. It is a far different country from the one which was forced to give up self government in the early days of the 'thirties. Its main industry, fishing, has been greatly diversified, its forest industries have been expanded. It is probably the only country in the world that has actually and substantially reduced its public debt during and since the war. It exports goods to 50 different countries and with some of them on more favorable terms than Canada receives.

"In these days of Marshall Plans, inconvertible sterling and loans to buy one's own goods, Newfoundland is wondering where it will fit in all this confusion," said Mr. Pratt. "Newfoundland people feel that conversations between Canada, Great Britain and Newfoundland should be held on these matters before Confederation is consummated."

Certainly the step is not one that should be taken lightly. Both parties should approach any decision with their eyes wide open. There will be small hope of ultimate success if we only start to discover the troubles involved after the union takes place.

Says Socialism Ruining Britain

Noting Sir Stafford Cripps' report that within six months Britain's last savings will be exhausted, the Recorder, London weekly, places the blame for "bankruptcy and near ruin" on the Socialist dream of planned economy and nationalization.

"Every person now knows the toll," says the Recorder. "Coal mines losing £20,000,000 in a year although the price of coal has gone up and its quality down. Railway fares going up, electricity and gas going up. Two State airlines losing £10,000,000 in a year."

Adds the paper, "It is not only the losses which appear, even though they amount to many millions, which are ruining Britain. Government interference with the whole of industry, nationalized and not, means that half the energy of our whole people is going into work which produces nothing. Nearly 700,000 civil servants . . . are just the beginning of the story . . . There is no manpower shortage. The energy of the country is being squandered. And even so, owing to planning, actual unemployed are still growing."

In an editorial the Recorder appeals to "all men of ability and guts" to "come forward and save your country. Release the useless energy and there is no manpower problem. Let the men who know how produce the material (for food and manufacture) and there'll be no shortage problem. Let everything reach its proper price and the problem will evolve as what it is — not production but salesmanship."

Sure There's a Monopoly

Quite a fuss has been raised in the last few weeks over the discovery that bakers in many cities have been charging the same price for a loaf of bread. There have been wild charges of monopoly and price fixing.

But that is not news.

For years we have had a monopoly and price fixing behind this bread business, but it is in the raw material, not the finished product. Ever since the Dominion Government took over the wheat industry, every pound of wheat millers have purchased to make the flour to make the bread has come from the government wheat board, and it has been sold to the millers at an identical price.

What is so surprising about a uniform price for bread, when the Government insists on a uniform price for the chief ingredient in that bread?

Solid Foundation

At a little presentation ceremony in Toronto the other day. R. C. Smith, dean of Canadian advertising men, and still the active head of the agency that bears his name, didn't disclose his age; that has been a secret for many years. He did, however, disclose some more valuable information, the recipe for longevity in business. Here it is:

> "To do the right thing at the right time in the right way; to do some things better than they ever were done before; to eliminate errors; to know both sides of the question; to be courteous; to be an example; to work for love of work; to anticipate requirements; to develop resources; to recognize no impediment; to master circumstances; to act from reason rather than rule; to be satisfied with nothing short of perfection."

Napier Moore's Scratch Pad

DURING THE WINTER, one of the most ill-kept stretches of sidewalk in Toronto has been the University Avenue pedestrian strip which runs down the west side of Osgoode Hall. The other day, gingerly leaping from ice hummock to ice hummock to dodge ankle-deep rivulets of dirty slush, we pondered what is an unusual situation.

The civic bylaws provide that owners must clean off the sidewalk in front of their own properties. Apparently the owners of Osgoode Hall don't worry unduly about this. Which is odd, because Osgoode Hall is Ontario's shrine of law. There is the province's law school. There is the home of the Law Society, and of The Benchers, who have a dining room and library. There functions the Master of the Supreme Court.

Built in 1832, it is a venerable pile, its greystone walls mortared with tradition. In summer, the occupants do themselves pretty well. They look upon spacious grounds enclosed by heavy iron railings originally erected to keep cows out. A flock of gardeners keep the lawns at billiard-table trim, tend the flower beds, prune the bushes.

But nobody seems to care two hoots, or even one hoot, about the sidewalk in winter.

• • •

WHO DOES OWN OSGOODE HALL? Getting the answer to that question caused us a lot of bother. We telephoned half a dozen lawyers who hemmed and hawed and said the matter was rather complicated. Then we found one who really put his back into it. He said that the matter was rather complicated, but there was a Deed, a Correction of Title, drawn up in 1832, which indicated:

That the Law Society, a corporation founded in 1797, owns all except the centre wing and the land west and north of it.

That the Province of Ontario owns the centre wing and the land west and north of it.

That the Great Library is owned in fee simple by the Law Society, though it is in the centre wing owned by the province.

But nobody looks after the cleaning of the sidewalk.

We called our own lawyer on this point. He enquired hopefully if we'd met with an accident. He said, "Mind you, this isn't an opinion, because the whole thing is very complicated. But if you broke your neck because of the condition of the sidewalk, you might be able to sue the Law Society. In fact you might be able to summons every single member of the Law Society. On the other hand, you might not. I don't know. It's all very complicated."

We are still in the dark as to who's going to clean the sidewalk.

Our chief, Colonel Maclean, recalls that when he was a reporter covering police court, the late Magistrate Denison fined the Chief Justice of Ontario $1 and costs for not having cleaned the snow off his sidewalk.

If you weren't so tired, we'd also mention another vile stretch of winter sidewalk. It runs by the University avenue lot whereon the Dominion of Canada parks motor vehicle transports for the reserve army. But that, too, is very complicated.

• • •

JOHN FOSTER DULLES is frequently mentioned as likely to be Secretary of State should the U. S. election result in a Republican government.

Speaking to the Canadian Club in Toronto last week, Mr. Dulles prefaced his view of U.S. foreign policy by intimating that he has a link with Canada. He is the owner of an island in lower Lake Ontario; spends summer months in a cabin thereon whenever international conferences, at which he frequently is a delegate, permit. The island is known as Main Ducks. It lies close to the international boundary, 10 miles off Point Traverse, the tip of Prince Edward County.

This country's waterfronts have many associations with top-drawer politics in the U. S. Joseph N. Pew, key figure in Pennsylvania's Republican party organization, has a summer place at Chester, N.S. And the association of President Franklin D. Roosevelt with Campobello Island, in New Brunswick, and of President Taft with Murray Bay, Quebec, are well known.

• • •

HUBERT CHAPPELL is one of 1,500 American businessmen who live in England. He is vice-president of the Central Hanover Bank and Trust Company, London. In the current issue of the Canadian Banker he explains why, in spite of 45% basic income tax, cigarettes at 67 cents a package, cold rooms, English plumbing, shopping queues and ration coupons, he likes being there. He says "commercial morality is much higher than in most other parts of the world"; points to "an ease in reaching business agreements that seems quite remarkable to an American who is conditioned to doing business always with a lawyer at one elbow and the book of rules at the other." He says that so far as the banking business is concerned, government controls have done little to alter the relative simplicity of British practice—relative to the myriad federal or state controls in the U. S. Winding up, Mr. Chappell supposes that the main reason he and fellow American expatriates like England is that they like Englishmen and Scotsmen. "They are such a decent lot. They don't stand in your light or poke you in the eye or push you around."

• • •

THE SAME ISSUE of the Canadian Banker calls attention to the fact that while the Bank of England was founded by a Scotsman, William Paterson, the Bank of Scotland was founded a year later by an Englishman, John Holland.

—Cartoon by Grassick.

THEY CAN'T EXPECT TO GET FAR THAT WAY

Post Scripts

From MacArthur Staff

To globe-trotting veterans of the U. S. consular service, appointment to any one of the half-dozen consulates general in Canada represents something of a prize.

The biggest of them, Toronto, fell into the lap of Harry Earl Russell, lately of General MacArthur's political advisory staff last week, just as he was on his way back to that office from three months' home leave.

MR. RUSSELL

While his posting here poses some major personal problems in logistics . . . the Russells' home furnishings and most of their clothing are still back in Tokyo and, like most newcomers to Canadian cities the new Consul General has a house hunt on his hands . . . Russell is mighty happy about his new job.

For one thing, he's spent most of his 32 years in the U. S. foreign service in Commonwealth countries and has come to feel at home in them. For another, only son Harry Earl Russell, Jr., graduates from George Washington University, Washington, D.C., this year (he's bound for the foreign service, too) and like all proud parents Mr. and Mrs. Russell want to be on hand for that event.

And then, this is the Russells' first visit to Canada—and Russell, an ardent fisherman, is looking forward to some keen sport in Ontario's famous waters.

In his official capacity the Consul General is the key contact man in U. S.-Ontario commercial relations and it's this aspect of his job here which holds greatest interest for Russell.

Currently he's getting thoroughly acquainted with Ottawa's import restriction program and all it means and his own Government's more recent commercial legislation.

He approaches these problems with the attitude that no effort must be spared to bring the U. S. and Canada closer together in trade; just as the border between the two countries has disappeared as a defense boundary, so we must work for its elimination as a trade barrier.

Russell, who is 58, was born in Kalamazoo, Mich. He attended the University of Michigan and on graduation went into law. It was shortly after his admission to the Bar of Michigan that he was drawn to the U. S. foreign service. This was in 1916 and his first appointment was to Salonika, Greece, and for the next 18 years he traveled the Mediterranean more times than he can remember.

From Salonika he went to Smyrna, then to Rome, where in 1922 he became a vice-consul. From then till 1934 he made a circuit between Rome, Casablanca and Alexandria; here in 1934 he was made Consul General.

The next seven years saw him in South Africa, first at Johannesburg, then Pretoria and finally Cape Town; and in Australia as Consul General at Sydney.

In May, 1941, because of his previous experience in Morocco, Russell was sent back to Casablanca, which city was to play such a key part in the Allied landings in North Africa.

There, in the period up to the landings he was charged with looking after British and Commonwealth interests as well as those of the U. S. for almost coincident with his arrival the Vichy Government slapped all the British representatives into internment.

It was, he recalls, a highly exciting period in which he found himself in some cloak-and-dagger roles while the invasion was being prepared.

He stayed there until early 1946 when he went back to Australia as Counsellor of Embassy at Canberra. From that post, in Jan., 1917, he went over to General MacArthur's staff, there playing no small part in keeping the Japanese toeing the MacArthur line.

A cheery man, approachable and full of good humor, there's no doubt he'll fit easily and quickly into the Toronto scene and like it.

On this last point he says Toronto was well recommended to him by his predecessor, Arthur C. Frost, who's just retired to San Francisco after spending his last three years in Toronto. Says Russell: "Frost told me this was the best spot he'd ever had in his 30 years in the service. I'm looking forward to finding it the same way."

• • •

Builders' President

Before he became president of Canada's five-year-old National House Builders' Association at a recent international convention in Chicago, George Prudham, of Edmonton, had built hundreds of houses, some as a carpenter, many more as contractor.

In Edmonton today many veterans are housed through his effort. He built 130 houses in Veterans' Land Act projects. As a member of the Edmonton Rehabilitation Council he spearheaded a drive by the Edmonton Home Builders' Association to complete 700 new postwar homes before snowfall in 1946, making several trips to Ottawa at substantial personal expense.

Born in 1904 on an Ontario farm near Kilbride, Prudham went to public school at Waterdown, became a carpenter there, in 1925 went west as a harvester. He returned East but soon (1928) was on the Prairies again and this time to stay. He built first at Lucky Lake, Sask., then and since (mainly) in the Edmonton district. Prudham remarks that his first Edmonton house (1929-30) would cost at least double today; recently he saw one he built 10 years ago for $4,400 sell for $11,000.

As sales manager for Armitage McBain Lumber 1938-43, he directed and supplied a number of substantial building programs on airports from Edmonton to Whitehorse and variously for Dept. of Transport, Canadian Pacific Airlines and the U. S. Army. While working for the lumber company he continued contracting; in 1941 formed Prudham Construction and, three years later Prudham Building Supplies. He is president and general manager of both firms, with premises covering a city block.

George Prudham is a Mason (Scottish Rite and Shrine), Rotarian, member of Edmonton Chamber of Commerce and Edmonton Home Builders' Association. Hobbies are boating, fishing, dancing. The Prudhams (Vivian Griggs, former teacher in Edmonton) have daughters 13 and nine.

Stop Me If—

Political Agitator: "I'm pleased to see such a dense crowd here tonight."

Voice from the crowd: "Don't be too pleased. We ain't all dense."

• • •

Wife: "I've been asked for a reference for our last maid. I've said she's lazy, unpunctual and impertinent. Now can I add anything in her favor?"

Husband: "You might say that she's got a good appetite and sleeps well."

• • •

A rural pastor called on one of his poorer parishioners, to find him wasting a perfectly fine day. The man sat smoking an old corncob pipe in the doorway.

"Got your beans in yet, Sam?" the pastor asked.

"Nope. Too many Mexican beetles last summer."

"What corn will you plant, white or yellow?"

"Neither! Too darn many corn borers last year."

Next the pastor asked if Sam had bought his seed potatoes yet.

"Nope. Last year I spent too darn much on arsenate of lead for potato bugs."

"What on earth are you going to plant, Sam?"

"Nothin', Reverend. This year I'm going to play safe."

What Others Are Saying

Editorial of the Week

We Must Face Facts

Lethbridge Herald

Nine years ago the whole civilized world was just beginning to wake up to the fact that Nazi Germany had, as Churchill had been warning for years, actual intentions of achieving complete domination of Europe, if not the World.

What happened during the war? More than ten million people lost their lives, billions of dollars of damage was caused, millions were left homeless, and the world's most formidable weapon, the atomic bomb, was invented.

Is it not apparent to anyone who can read or think that Russia will not stop with what she now has? Is it not obvious that, regardless of what she says, she intends to dominate Europe? And is it not just as apparent that if we are to stop her the time is now?

Will we do anything about it? If we act as we have in the past, probably not. If the past has taught us a lesson, probably yes. But we must wake up now. As Canadians, for instance, we must not continue to sell all our surplus war equipment, disband our armed forces, quibble about the building of important highways, radically reduce defense requirements, or act in general as if we were living in an age of peace and plenty.

We must face facts. We must realize that should war break out tomorrow, next month, or a year from now, Canada will certainly be a major battlefield. Is it silly for Canadians to prepare for any eventuality? Or are we still a race of ostriches?

Other People's Views

THE LAW OF SUPPLY AND DEMAND cannot be suspended, maintains the **Winnipeg Free Press.** "It is easy to shout 'gamblers' every time price fluctuations in wheat occur. But wheat producers should never forget that neither shouts, nor pools, nor wheat boards, nor statutes of Parliament, can suspend the law of supply and demand which is the basic cause of price fluctuations. The greatest price hazard, as they well know, is the weather."

DOLLARS WON'T STOP THE COMMUNISTS, asserts the **Calgary Herald.** It cites the case of the U. S. money poured into Czechoslovakia and Greece. "We do not subscribe to the theory that might makes right. But neither do we subscribe to the theory that right makes might. Or that money makes might. The only thing that makes might, in this day and age, is might itself—armed might, and the will to use it The West, if it hopes to survive, has no other choice."

MUST CHANGE OUR WAYS if we are going to get more tourists, advises the **Vancouver News-Herald.** "Our tourist cabins are not good and in most restaurants there is room for improvement—in cooking, cleanliness and service. People to the south of us are experts in catering to the tourist trade Considering what we in B. C. offer in the way of amenities, outside the luxury class, the wonder of it is that we get as many American tourists as we do."

WAKE UP FARMERS or take orders forever warns the **Canadian Statesman (Bowmanville, Ont.)**, which sees more and more control of farm products taken over by government. "Step by step the Dominion Government has snatched away freedoms until the farmers of today are almost cringing supplicants Not a bushel of wheat can move across interprovincial boundaries or into export without permission. Farmers are told where they must market it and what price they must accept. Infractions mean fines or imprisonment. New measure would place feed grains under the same monopoly and penalties and would apply to almost every farmer in Canada. And farmers are still barred by the Government from shipping market livestock into the U. S. A. In the past few years farmers have lost a billion dollars through these decrees. It was once the proud boast of Canadian farmers—the old pioneers—that they were the most independent section in the national community. But this old rugged individualism has faltered sadly."

The Financial Post

Member Audit Bureau of Circulations
Member Business Newspapers Association of Canada

A weekly newspaper presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

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Montreal: Murray R. Chipman, eastern manager.

Subscription Terms: Single copies, 15c. Yearly: In Canada and British Countries (except Australia) $5; Australia, U.S.A., Mexico, Central and South America, France, Spain, $6; other countries, $7.

Advertising Rates: Single insertion, $4.90 per inch. Contract terms upon request.

Authorized as second-class mail, Post Office Department, Ottawa.

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Printed and Published by
MACLEAN-HUNTER
Publishing Company Limited
481 University Avenue, Toronto 2

JOHN BAYNE MACLEAN, Founder and Chairman
HORACE T. HUNTER, President
FLOYD S. CHALMERS, Executive Vice-President
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OTHER SERVICES: Canadian Press Clipping Service.

Other MACLEAN-HUNTER offices:

MONTREAL Centre 2: Dominion Square Bldg., Marquette 2331.
NEW YORK 18: 522 Fifth Ave., Murray Hill 2-7888.
CHICAGO 6: 309 West Jackson Blvd., Harrison 7890.
LONDON: Maclean-Hunter Limited, Sun Life of Canada Bldg., Trafalgar Square, London S.W.1, Cable Atabek. Whitehall 6642-3.

Mar. 20, 1948

What Jobs For Immigrants?

The Question: What general fields of endeavor offer best scope for immigrants in your community?

Almost every industry in Canada offers employment possibilities for properly qualified immigrants, in the opinion of representative Canadians answering a Financial Post questionnaire. Agriculture was rated highest on the opportunity list by most; but lumbering, construction trades, mining, and many more specialized lines of industry, also held out prospects to experienced workers. On the distaff side, a wide demand for domestics, and many openings in light industry, were reported.

F. L. FREUDEMAN, Vice-president, Sterling Rubber Ltd., Guelph, Ont.

I consider the following as fields of endeavor offering the best scope for immigrants in their own and in the best interests of Canada as a whole. Experienced farmers, especially with growing families who should be able to rehabilitate many idle farms, increase food production; laborers capable of filling the present acute shortage in this field, thus permitting completion of urgently-needed housing and allied facilities; experienced building tradesmen for construction work of all kinds, particularly housing; women experienced in factory work or hospital and domestic duties. No immigrants over 45 should be admitted without ample guarantee for their maintenance.

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T. GREENWOOD, Manager Kelowna Saw Mills Co., and Pres. Kelowna Board of Trade.

I feel a good opening for immigrants is to take up work on vegetable and dairy farms, ranching and fruit farms. These agriculturalists are having continued difficulty in maintaining adequate labor for their farms. The shortage consists mainly of experienced farm help, and men willing to take up farming with a view to getting experience. Therefore, I feel agriculture has great possibilities for immigrants. Lumbering also offers possibilities, particularly for those willing to work in logging camps.

• • •

D. M. HOGARTH, President, Steep Rock Iron Mines, Toronto.

The next step in the designed Steep Rock expansion program is development of the A orebody and installation of facilities to treble existing production. This means the duplication or tripling of the population now at Steep Rock and establishment of a community of relatively larger proportions with attending activities inherent in such pioneer undertakings. Before this forward move has been completed, it is anticipated that plans will be ready for instituting a further expansion program to produce six million tons annually, and so on, until ultimate production capacity has been attained. All of this provides opportunity for new Canadians willing to work.

• • •

J. C. KEATING, President, Times - Transcript, Moncton.

There are many opportunities for immigrants to take up farming in this section of New Brunswick, as many youths have left to take up work in the cities. Farmers should be skilled in their line of work; otherwise they would not prove successful. Quite a number of farm laborers are also needed in this territory. Domestic help has been scarce for some time, and a reasonable number could be located here. Skilled technicians, electricians, carpenters, bricklayers are needed, and many of these classes could be absorbed here without damaging local economy.

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H. J. LASSALINE, Secretary-manager, Windsor Chamber of Commerce.

In the industrial field Windsor is a prominent manufacturing centre, and this point of distribution offers opportunities to those capable of initiating manufacture of new or competitive products of iron or steel, pharmaceutical, chemicals or woodcraft. There appear to be wide employment opportunities for skilled trades in the construction field. Also, there are good possibilities in surrounding and rich agricultural areas where farming or processing of corn and soya bean crops and early vegetables offers attractive returns.

• • •

W. L. LECLAIR, Secretary Manager, Canadian Lumbermen's Association, Ottawa.

The best scope for male immigrants is in the forest industries, agriculture and construction. Females would find ready employment in domestic service. The efficiency of skilled labor groups in manufacturing and construction industries is already seriously affected and Canadian economy is endangered by reason of an inadequate pool of heavy manual labor. Immigration directed to these occupations could actually increase employment and general efficiency in other fields.

• • •

WALTER LEEK, President, National Association Plumbing & Heating Contractors, Vancouver.

Canada needs settlers of a suitable type, on her lands, and could give assistance if necessary. It is a privilege to come to Canada and we have a right to be choosy, encouraging only those we could assimilate into our national life. Lumbering and mining offers employment. In the construction industry, bricklayers are required, and other skilled craftsmen who are willing to accept a training period to familiarize themselves with Canada's methods. There is a reported shortage of housemaids.

• • •

A. G. PENNY, Editor, Chronicle-Telegraph, Quebec, Que.

Owing to particular local conditions, few general fields of endeavor offer scope for immigrants in this community unless in exceptional cases such as the Dionne Mills at Beauce. This city draws population from 21 surrounding counties, and strangers would meet severe competition in securing employment. On the average, the best scope in the community would be for domestic service, or for farm labor in the adjoining country.

• • •

W. J. PHILLIPS, General Manager, Cockshutt Plow Co., Brantford, Ont.

In this community, opportunities for male employment are best in all branches of agriculture; also in the construction field and, to a lesser extent, in the heavy metal industries. Domestic help and light industry would absorb a considerable number of female immigrants.

• • •

JOHN R. REED, President, Reed, Phipps & Davies Ltd., Vancouver.

British Columbia has vast undeveloped natural resources and offers many opportunities to immigrants for gainful employment. The industries of lumbering, fishing and mining, although operating on a large scale, are still in their infancy. Shipping is beginning to move to and from our ports to all corners of the world. Help is needed to man these ships. The city of Vancouver is rapidly becoming a large industrial centre and the expanding industries can absorb trained workers. For some time to come, the building trades in Vancouver will offer employment to large numbers of carpenters and other tradesmen, as it has become the fastest growing area of Canada.

• • •

ALAN C. SIMPSON, President Cradock, Simpson Co., real estate, Montreal.

Best fields of endeavor for immigrants depend partly on the country of origin, as language may be a serious handicap. For immigrants not speaking English or French, the greatest need would seem to be for farm laborers and for men willing to work at those kinds of unskilled manual labor which are apparently distasteful to the younger generation of Canadians. There is also scope for good and highly skilled craftsmen, especially for manufacture of articles not now produced in Canada or produced only on a small scale, and the manufacture of which should be encouraged, as making Canada more nearly self-supporting.

• • •

THOMAS T. WEIR, General manager, Union Gas Co. of Canada, Chatham, Ont.

The principal opportunity for immigrants in Kent County is in agriculture. Many farms and gardens are now owned by immigrants who originally came to work on sugar beet, tobacco and other specialty crops. Besides general farm crops, the soil is excellent for various specialty crops including sugar beets, tobacco, tomatoes, corn, beans, with some sections specially suitable for such garden crops as onions, and celery, also peach and apple orchards. Industry in urban centres includes sugar refining, food canning and processing, motor truck and body plants, metal working, plants producing steel, brass and aluminum parts, and glassworks.

• • •

L. F. WINCHELL, Vice-president and general manager, Hinde & Dauch Co. of Canada, Toronto.

So wide and continuously growing is the scope of activities in the metropolitan area of Toronto that it seems to me that immigrants coming here should be able to get placed in almost any kind of work with which they are familiar, or for which they have a preference. I would think that agriculture or manufacturing activities would offer the quickest and surest means of steady employment and satisfying rehabilitation. All one has to do is to look around him, to know that a fast and tremendous growth in industrial and mercantile activities is ensured for this area, and I believe well-screened immigration to the area should be vigorously encouraged, just as I believe it should be for Canada generally.

• • •

D. S. YOUNG, Assistant general sales manager, Canada Wire & Cable Ltd., Leaside, Ont.

I consider the domestic servant field presents by far the best opportunities for female immigrants, although large numbers can be absorbed in factories and offices. The mining and construction industries can readily absorb large numbers of unskilled male workers, and industry at large will welcome unskilled artisans.

• • •

O. F. YOUNG, Editor, News-Chronicle, Port Arthur, Ont.

Opportunity beckons the settler to the timber lands of Thunder Bay district, in a latitude comparable to the southern border of Manitoba. Lands which grow timber will grow other things, and there is much of good quality available. An immediate and permanent market is provided in the demand for pulpwood at high prices, and the timber cropper, cutting at the rate the wood grows, will have an annual income of about $20 an acre to which he can add by general farming on a small portion of his holdings. The country would greatly benefit if men who cut and sold the timber to mills were heads of families living in their own homes, rather than transients.

BUSINESS THIS WEEK

	FEB.	JAN.	DEC.	NOV.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dominion total revenue	....	244.3	233.7	214.9	256.6
Dom. total expend.	....	149.2	160.4	183.7	171.8
MERCHANDISING					
Dept. store sales index no. (1)	....	192.3	397.8	348.2	165.1
Retail sales index (no.)	....	....	328.6	274.4	282.2
Wholesale sales index (no.)	....	....	251.8	295.0	222.8
FINANCE					
Dividend payment index (5)	189.2	188.7	183.1	175.8	155.5
Bank debits	....	....	230.7	223.8	201.0
Money supply (millions $)	....	....	7,660	7,545	7,502
NEWSPRINT CAPACITY					
Production ratio	....	98.6	100.8	103.6	101.1
Shipment ratio	....	92.1	101.1	111.7	94.1
RAILWAY FREIGHT LOADINGS					
■Tons (D.B.S.)	186.3	210.1	199.1	166.6	177.0
■Cars (D.B.S.)	159.6	172.3	169.2	153.1	150.8
COST OF LIVING					
D.B.S.	150.1	148.3	146.0	143.6	127.8
EMPLOYMENT INDEX					
All industries	....	193.7	199.6	197.8	181.0
Manufacturing	....	200.1	205.1	205.1	190.6
Payrolls (June 1/41=100) (2)	....	178.2	183.2	189.1	150.2

	1947-48	1946-47	1947-48 Jan. 1 to date	1946-47	% Change
RAILWAYS—(000's omitted)					
■Carloadings (week Mar 6)	74.5	68.8	709.2	651.1	+9.0
C.N.R. net rev. (Jan.)	—561	831	—561	831	—167.5
C.N.R. gross rev. (Jan.)	34,002	32,858	34,002	32,858	+3.5
C.P.R. gross rev. (Jan.)	24,926	23,359	24,926	23,359	+6.7
C.P.R. net rev. (Jan.)	103	187	103	187	—44.9
IRON AND STEEL (000's omitted) (Jan.)					
Pig iron production (tons)	160.0	177.3	160.0	177.3	—9.8
Steel production (tons)	256.7	249.8	256.7	249.8	+4.8
CONSTRUCTION (000's omitted)					
Contracts awarded (Feb.)	43,000	53,450	77,162	98,160	—21.4
Cement prod., bbls. (Dec.)	1,068	721	12,219	10,675	+14.4
AGRICULTURE (000's omitted)					
Flour prod., bbls. (Jan.)	1,889	2,478	1,889	2,478	—23.8
Flour exp., bbls. (Jan.)	991	1,380	991	1,380	—71.8
Wheat exp., bush. (Jan.)	11,501	14,198	11,501	14,198	—19.0
■Cattle sales (Feb.) (4)	108.2	97.0	259.9	217.1	+19.7
■Hog sales (Feb.) (4)	465.2	305.6	1,055.2	705.4	+49.6
SEA FISHERIES (000,000's omitted)					
Catch, lb. (Jan.)	110.3	88.5	110.3	88.5	+24.6
Landed value $ (Jan.)	2.4	1.8	2.4	1.8	+33.3
NEWSPRINT (000's omitted)					
Production (Jan.)	372	370	372	370	+0.5
Exports, tons (Jan.)	345	347	345	347	—0.6
MINING AND OILS (000's omitted)					
Coal prod. (tons) (Jan.)	1,351	1,700	1,351	1,700	—21.0
Gold prod. (fine oz.) (Dec.)	275	229	3,069	2,833	+7.9
Petroleum prod. (brl.) (Dec.)	767	595	7,729	7,607	+1.6
ELECTRICAL POWER OUTPUT (000,000's omitted) (Jan.)					
■Total monthly kw.h.	3,754	3,851	3,754	3,851	—2.5
FOREIGN TRADE (millions of $)					
■Imports (Jan.)	206.1	173.8	206.1	173.8	+18.4
Exports (Jan.)	235.4	208.6	235.4	208.6	+12.8
FINANCE (millions of $)					
Bank debits (Jan.)	6,491	6,216	6,491	6,216	+4.4
Bond sales (Jan.)	162.7	308.4	162.7	308.4	—47.2
Life insurance sales (Jan.)	99.0	101.4	99.0	101.4	—2.4
OTHER INDUSTRIAL FACTORS (000,000's omitted)					
Shoe prod. (Dec.)	2,548	3,144	35,574	43,255	—17.8
Cigarette cons. (no.) (Dec.)	1,327	1,221	14,141	14,866	—4.9

(1) Base period 1935-39=100.
(2) All industries.
■New items for week.
(4) Total at yards and plants.
(5) Nesbitt, Thomson, etc.

It's Your Money

By BRUCE MacKINNON
Maclean-Hunter Editorial Research

The Post Office Act says that rates for special delivery should provide for the details necessary for carrying out the service including payment of messengers.

A test made in four cities showed the following cost of carrying special delivery letters, including only the allowance to messengers and direct clerical salary costs — London — 14.9c per letter; Ottawa — 16.2c; Toronto — 19.4c and Montreal — 24.3c.

Rates are now 10c per letter.

Can. Food Prod. Profit Steady

Consolidated net profits of Canadian Food Products Ltd. for the 12 weeks ended Jan. 24, 1948 amounted to $108,016 compared with $104,285 for the similar period of last year. This works out to $4.32 a share on the 4½% $100 par preference stock. After allowing for preferred dividends for the 12 weeks, profits amount to 82c a share on the class "A" shares and on providing for dividends for the same period on the class "A" stock, profit totals 29c a share on the common. On the same basis, the net profit for the 12 weeks ended Jan. 25, 1947 was equivalent to $4.17 on the preferred, 78c on the class "A" and 27c on the common.

Sales for the period totaled $3,691,484 compared with $3,329,617 for the same period last year. Operating profits of $340,579 are up from $303,835. Profit and loss account for the periods are:

	Twelve Weeks Ended Jan. 24, 1948	Jan. 25, 1947
Sales	$3,691,484	$3,329,617
Operating profits	340,579	303,835
Depreciation	128,296	90,521
Bond interest	6,810	7,596
Income, E. P. taxes	97,398	101,191
	108,075	104,527
Minority interests	59	242
Net profit	108,016	104,285

TOWN OF LEASIDE, Ont. new issue of $300,000 debentures has been sold to J. L. Graham & Co. and Fairclough & Co. by tender at $98.049. Cost to the town is about 3.40%. Debentures bear interest at 3% for the first 10 maturities and 3¼% for the 11th to 20th years. Proceeds are for an addition to the Northlea Public School.

MONARCH KNITTING CO. reports 29 4½% cumulative redeemable sinking fund preference shares purchased for cancellation, reducing preference shares outstanding to 4,971.

GOVERNMENT AND CORPORATION SECURITIES

Enquiries Invited

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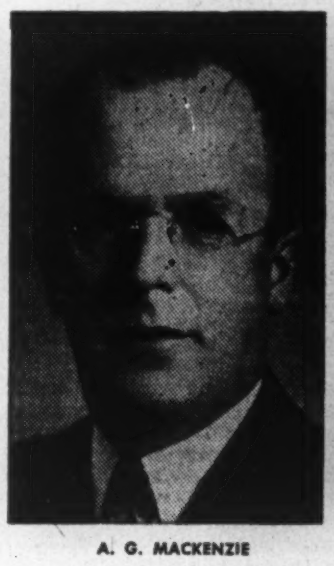
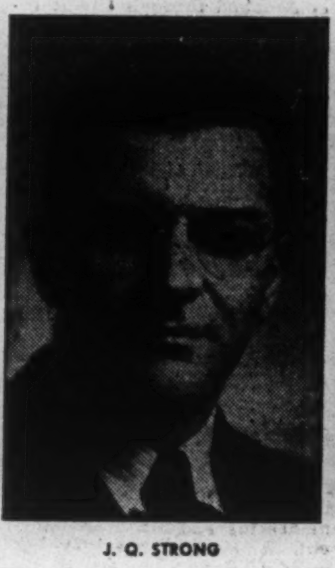
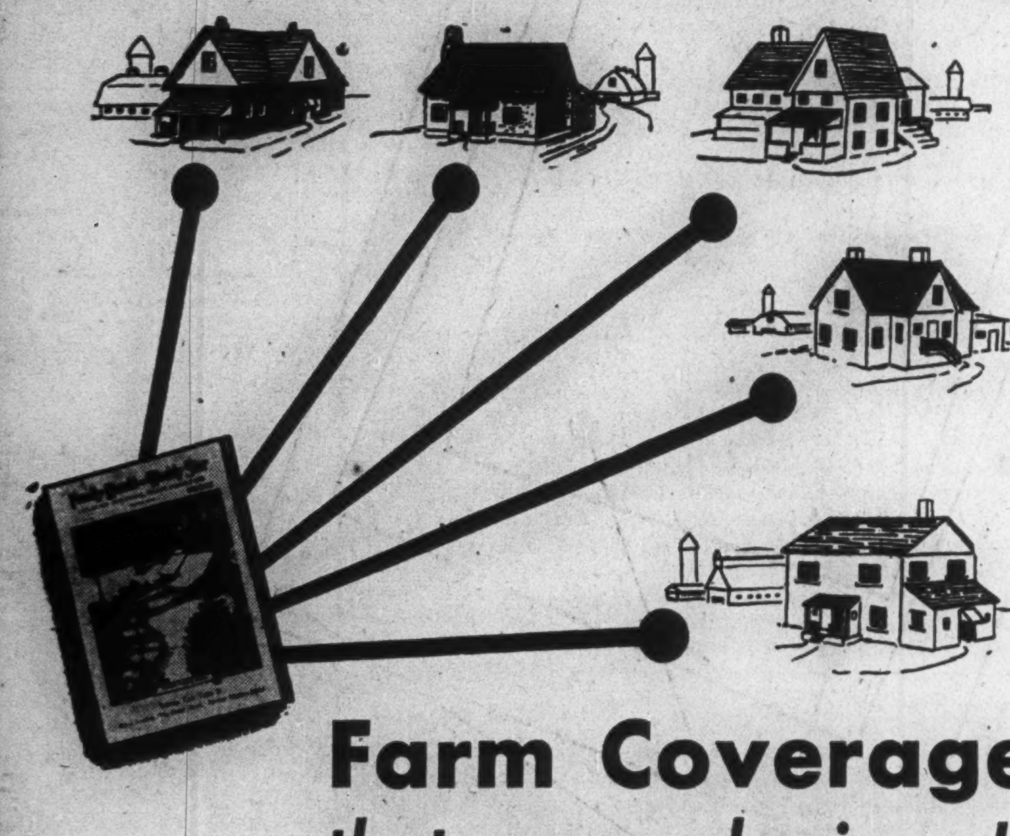

A. G. MACKENZIE


J. Q. STRONG

JOHN BAIN

Announcement has been made by The Canada Life Assurance Company of three appointments in its Agency Department. A. G. MacKenzie, formerly Assistant Superintendent, becomes Superintendent of Agencies; J. Q. Strong, formerly Assistant Superintendent, becomes Assistant Comptroller of Agencies; John Bain, formerly Manager of the Estate Service Division, becomes Assistant Superintendent of Agencies.



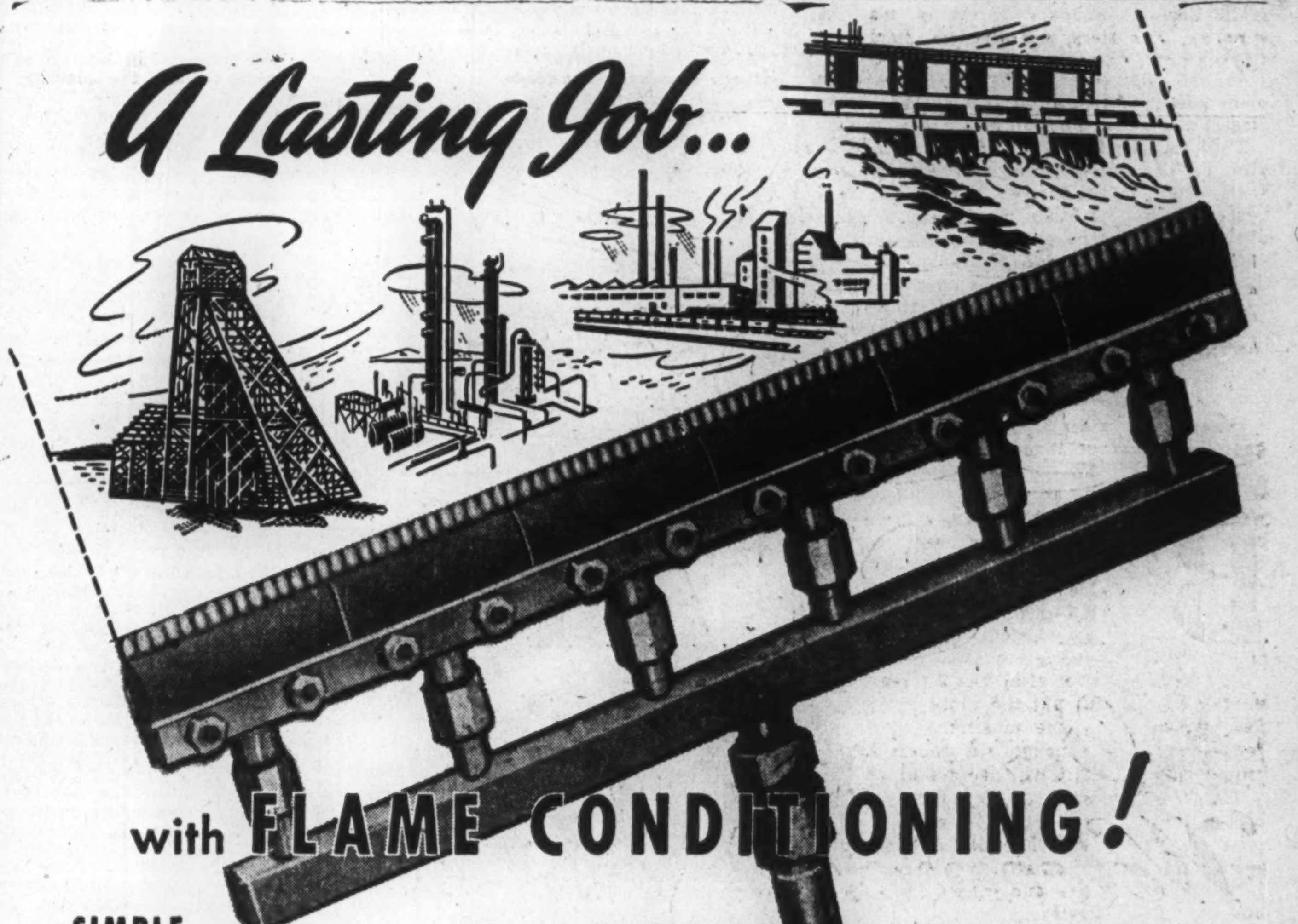
Farm Coverage
that means business!!

Merely to say that the Family Herald and Weekly Star covers rural Canada, does not look or sound very impressive in cold print . . . but, when you examine its circulation in detail (as shown below) you'll get a better idea of the far-reaching coverage of this old-established farm paper.

	Total no. of Farms (Census)	Family Herald Circulation (A.B.C.)	Ratio Circulation to Farms
Western Canada	322,813	119,416	37%
Eastern Canada (Exclusive of Quebec)	255,247	205,538	80%
Over-all ratio (All Canada except Quebec)	578,060	324,954	56.2%

Having regard to the recognized French-speaking areas outside of Quebec, and the 50% coverage of the Family Herald and Weekly Star in all English-speaking districts of rural Quebec (12,100 circulation against 21,323 English-speaking families), The Family Herald and Weekly Star justly claims an over all ratio of one Family Herald subscriber to every two English-speaking farm homes in all Canada!

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA



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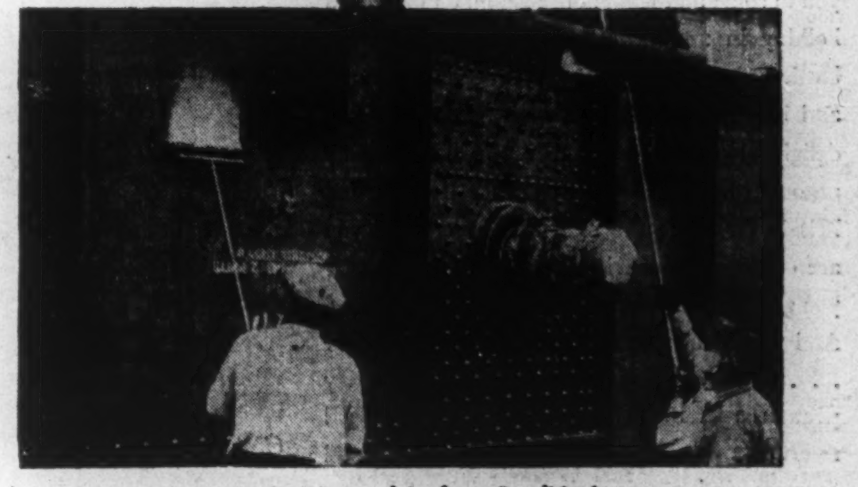

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NEWFOUNDLAND NEWSLETTER

Future of Newfoundland's Fisheries Big 'If' in Confederation Question

Special Correspondence

ST. JOHN'S—As Newfoundland speeds toward the political crossroads which lie two months ahead, the great majority of businessmen here appear doubtful of taking the road signposted "confederation with Canada."

Confederation will be included on the ballot on which Islanders will vote in May, despite the National Convention's recommendation to the contrary, it is definitely announced here.

Many favor the idea, but hesitate to join the Dominion until a deeper survey has been made into the effects the step might have on this country's economy. They agree with 10 points brought out recently by C. C. Pratt, one of this country's foremost business leaders and Chairman of the Newfoundland Industrial Development Board. He urges thorough investigation of:

(1) Newfoundland's long-term position under the change from being an export customer of Canada to being a domestic market.

(2) Effect of Canadian taxation on Newfoundland's economy.

(3) Bearing of confederation on employment in this country's industries.

(4) Value to Newfoundland of its facilities and strategic position in air travel, and policy to be pursued with regard to international civil aviation conferences and agreements.

(5) Economic advantages which might accrue to Newfoundland from the American zones of occupation here. (It is argued that these bases might be used as a bargaining level to get tariff concessions for Newfoundland fresh fish entering America.)

(6) Effect confederation would have on this country's cost of living.

(7) Trade treaties. Under confederation, this country would be automatically under Canadian foreign policy, without regard to her own particular needs; a complete reversal of the position under Commission of Government and under past responsible governments, when negotiations were conducted by the British Government on this country's behalf.

(8) Canada's trading position in markets of vital importance to Newfoundland and of minor importance to Canada.

(9) Newfoundland's currency position; the relation of the Canadian dollar to sterling and the American dollar in this country's export trade, and her position operating under the Foreign Exchange Control Board of Canada.

(10) Effect of Canadian trade policy on Newfoundland's fish marketing system.

Fisheries, Main Question

Business interests are mainly concerned with the last four points. Boiled down, they are really asking "what effect will Confederation have on this country's major industry—fisheries?"

Main thought is being given to the salt cod industry. Many recall the days of the great depression when the bottom had fallen out of the fish markets; quintal after quintal of dried cod was rotting in the storehouses, and thousands of fishermen were forced to seek government assistance.

Since that time, this country has made great strides in improved production and marketing of fish. The Newfoundland Fisheries Board, with compulsory inspection and control of exports, was formed, and marketing progressed through the pool system to the present association of exporters. (The Financial Post, Aug. 23, 1947.)

Big fish exporters today look upon the future with mixed optimism and pessimism. Important European fish markets are taking over 40% of production and seem likely to continue doing so; other markets in the western hemisphere are also strong.

Exchange is Joker

But there is a joker in the deck . . . the exchange problem. Newfoundland lies between the North American and European continents; while a lot of her fish goes to the sterling area, her banking and financial institutions are tied to the Canadian dollar. This can cause complications.

Last year, for example, the blocking of sterling produced a major crisis. Contracts had been signed with several European countries for the delivery of fish; the fish was ready to be loaded into waiting ships, but no exchange was available to pay for it.

Stepping into the breach, the Commission of Government utilized the surplus account to pay fishermen and exporters here in dollars, while money received for fish was deposited in a special account in London to be transferred here when the pound sterling becomes usable again. This may have to be continued for the coming year at least; perhaps longer.

How will this situation be affected if this country joins Canada, businessmen are asking? They complain of lack of information on this important subject. Even Ray Gushue, Chairman of the Newfoundland Fisheries Board and a top authority on world fisheries and markets, admits he doesn't know the answer.

Dominion Status First?

To clear up the question, three courses have been suggested. The first is that Newfoundland return to Dominion status and a "confederate" party contest the first election. If upheld, it could send a delegation to Canada to thrash the matter out. This is advocated by F. M. O'Leary, Hon. J. S. Currie, J. T. Cheeseman and many others.

The other proposals are to place union on the ballot paper in the coming referendum as an abstract possibility. If endorsed, its effect on the country's economy could be investigated by either (1) the present Commission of Government, or (2) a provisional elected government. When the whole matter had been cleared up, the people would again vote on the subject with a simple "yes" or "no" ballot.

Other businessmen contend that the present terms offered by Canada are generous and that Newfoundland should grab them. Still others see no hope for the present arrangements at all. One of Newfoundland's foremost fish handlers, C. A. Crosbie, is one of these. He lists his objections in seven points.

(1) The Newfoundland Fisheries Board would be abolished overnight, in that its functions would be a federal responsibility, in the event of union.

(2) Compulsory inspection and control of exports would go. These things are the major functions of the Fisheries Board and have been very beneficial to this country, causing her, as far as salt fish is concerned, to outstrip Canada.

(3) The bait supply system, as a government facility would disappear; as the Federal Government would not operate it, and the Provincial Government could not afford the cost.

(4) Newfoundland would be under the dictates of Ottawa with regard to the export of her principal commodity.

(5) This country would be deprived of the power to negotiate her own trade agreements.

(6) Newfoundland would lose the assistance of Great Britain in her currency arrangements, thus running a grave risk of losing her European markets. At the present time all this country's trade agreements are negotiated by Great Britain, and Newfoundland is also able to take advantage of any trade agreements signed by the United Kingdom.

(7) Loss of the use of the surplus for anything in the way of a subsidy, such as the subsidizing of exchange as was done last autumn.

See New Markets

However, those who think the present confederation terms are generous and that no further investigation is needed, say that if Newfoundland joins Canada, this country's European markets would no longer be so important. It is argued that Canada's world-wide trade organization would be able to find new, bigger markets for salt fish; and in addition, new markets would be found for fresh fish, with the result that Newfoundland no longer would have to depend on the comparatively cheap, fluctuating European markets taking her salt fish.

They also argue that if Newfoundland joins Canada, there will be six provinces out of 10 exporting fish. Thus, fish would become one of the Dominion's major exports, and she would obviously do all she could to further these exports. Any ready-made markets, such as this country's European outlets, would be exploited to the full, it is argued.

On the point that control of exports, etc., would be discontinued, people favoring Conferation on the basis of the present proposed arrangements remind doubters of the fish marketing scheme now being born in Canada to assist the Canadian industry in developing profitable outlets for their products.

COMPANY REPORTS

DAVIS LEATHER CO. 1947 net profit was up 29.8%. Throughout the year demand for the company's product was very satisfactory, requiring the tannery to be operated at approximate capacity, Chairman of the Board J. A. Gairdner reports. The company maintained its position throughout the year in the export markets. As a result of the shortage of dollar exchange, many countries have legislated economic policies which have curtailed foreign markets for company products. Allocation of Canadian leather imports to the United Kingdom for the first quarter of 1948 was severely reduced, but hope is held that the second-quarter allocation will be increased.

Some measure of relief is afforded sales of Canadian leather products to the United States by a reduction in the tariff on leather entering the United States from 15% to 12½%. "We enter 1948 with confidence," Mr. Gairdner states. During 1947, price of calfskins and leather made from them rose very sharply. Recently there has been a downward trend in prices in both skins and finished leather, which should stimulate demand for calf leather and reduce competition from leather made from other types of skins.

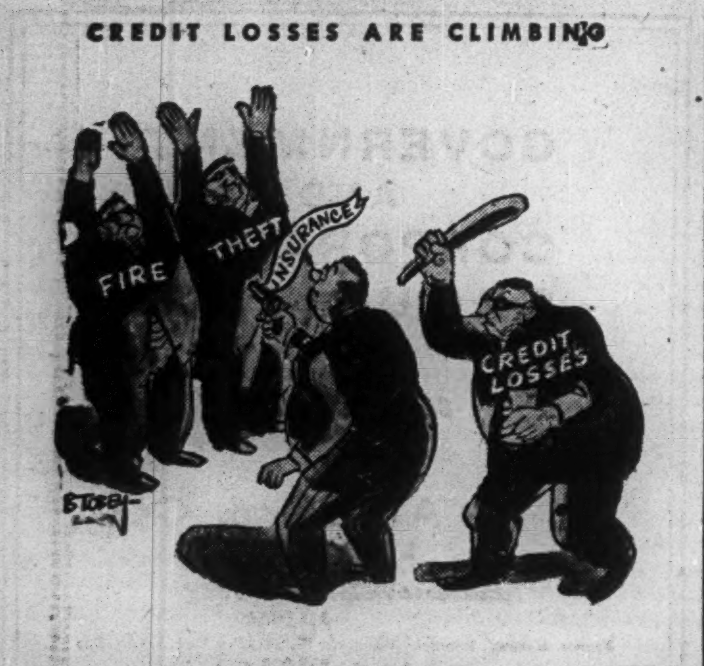
INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$859,308	$590,792
Less: Deprec.	7,976	6,337
Pension fund	37,000	25,000
Income tax res.	327,000	208,500
Add: Sec. prof.	79,030	85,386
Net profit	566,362	436,341
Less: Cl. A divds.	150,000	150,000
Cl. B divds.	109,808	109,808
Surplus for year	306,554	176,532
Earnings per Share and Dividend Record:		
Class A	$5.66	$4.36
Paid	1.50	1.50
Class B	2.65	1.83
Paid	0.70	0.70

Note—Earnings include profit from sale of securities of 79c per sh. on cl. A and 50c on cl. B in 1947; 85c and 54c respectively in 1946.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$464,892	$91,755
Accts. & bills rec.	860,740	638,286
Stks. & govt. bds.‡	1,852,788	2,306,930
Inventories	2,875,160	1,305,906
Total curr. assets	6,053,580	4,342,877
Misc. assets§	45,304	24,725
Fixed assets▲	278,024	276,551
Total assets	6,376,908	4,644,153
Bk. loan & overdraft	1,514,440	515,359
Accts., tax., etc., pay.	681,581	192,191
Other curr. liabs.	......	37,270
Total curr. liabs.	2,196,021	744,820
Pension res.	......	25,000
Invest. res.	314,000	235,000
Capital stock	2,785,185	2,785,185
Earned surplus§	1,081,702	854,148
§Incl. ref. EPT	6,900	7,256
▲After deprec. of	117,240	110,501
‡Market value	1,896,918	2,442,653
Working capital	3,857,559	3,598,057



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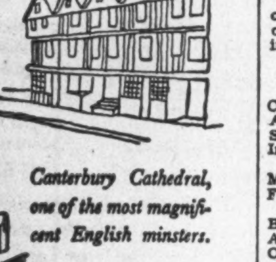

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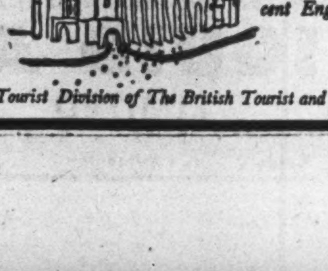

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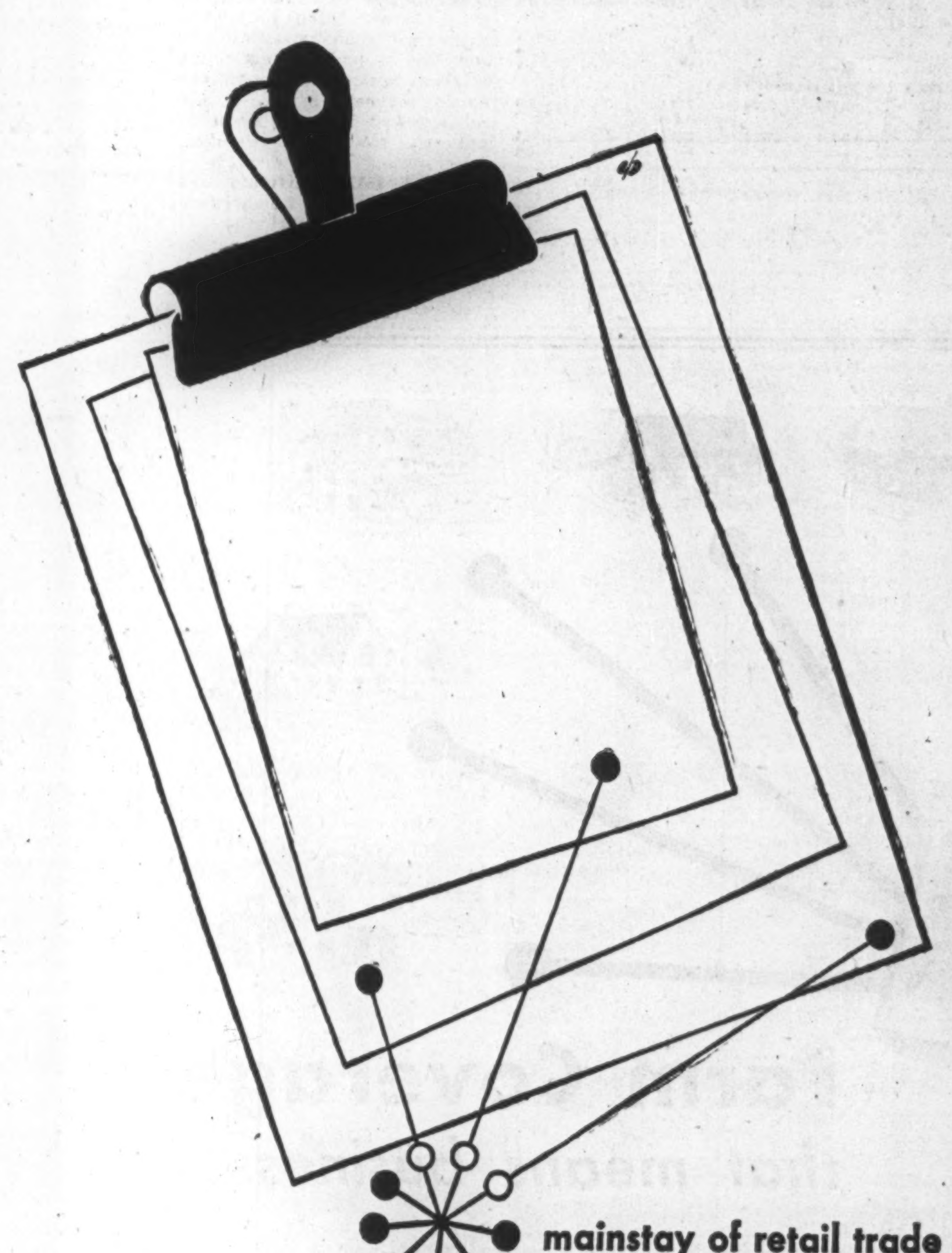

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Industrial Growth

Abitibi

Abitibi Power & Paper's recent annual report from President D. W. Ambridge outlines major plant expansion and improvement projects, both proposed and completed. Highlights:

Plans completed to speed and modernize mills at Pine Falls, Iroquois Falls, Port Arthur, Beaupre.

New central research laboratory at Sault Ste. Marie equipped, staffed and in operation.

New semichemical corrugated board plant which began operation in Sept., now in full production.

New caustic extraction plant at Smooth Rock Falls went into operation in Aug.

New grinder room at Thunder Bay mill went into operation Jan., 1948.

Board machine at Iroquois Falls speeded up and now producing 40% more board of improved quality.

• • •

Robinson Cotton

Robinson Cotton Mills, Toronto (formerly W. Robinson & Son Converters) recently completed buildings for plant expansion at Woodbridge, Ont.; is installing machinery and plans start in May on production in the new units. Robinson expects substantial gains in employment and output in bleaching, dyeing, napping, shrinking and other processing of cotton cloth.

• • •

Century Eng.

Century Engineering, Toronto, custom metal stampings and general fabrication, expands 3,600- sq. ft. plant bought in 1946 at 380 King St. E. Foundation is going in for an addition which, though intended primarily to relieve congestion and improve operating efficiency also is expected to provide for substantial gain in output. Tentative plan is for additional hiring next year. Architects are Kaplan & Sprachman; contractors E. Landry & Son.

• • •

Husky Oil

Husky Oil & Refining, Cody, Wyoming, and Lloydminster, Sask., plans "immediate" construction of additional refining capacity at Lloydminster for possible fall completion. Present daily capacity is 2,500 barrels but under forced operation something like 3,000 barrels a day are reported going through.

Husky's year-old plant cleans, dehydrates and desalts the Lloydminster area crude at an average daily rate of 1,500 barrels of the cleansed product. It turns out mainly Bunker C fuel oil for railways and factories, domestic fuel oil, gas-oil and gasoline. Husky officials hope shortage of tank cars will be alleviated by the time the additional planned capacity is ready.

• • •

West. Plywood

Western Plywood Co., Vancouver, plans construction of new fir-birch-poplar plywood plant near Quesnel in B. C.'s Cariboo district.

• • •

C.B.L.'s Brading

In Ottawa, Brading's Capital Brewery of Canadian Breweries Ltd., is completing expansion and alteration of former Government-owned plant bought by C.B.L. in 1946 to replace old Brading brewery. About 60 workers being added to payroll and full operation scheduled for May 1. Biggest item is new storage and fermentation building started a year ago, four stories, 121 by 104 feet; engineers Proctor, Redfern & Laughlin; contractor Carter Construction. Other units: Addition to bottling plant, two stories and basement, 100 by 145 ft.; new office building one story and basement, 60 by 60 ft.; alterations to tank storage building.

• • •

MacMillan's Craycroft

H. R. MacMillan Export bondholders last week assented to modification of their right, accepted a supplemental trust deed enabling MacMillan Export to buy fully paid shares and debentures of subsidiary Craycroft Forest Products (incorporated Jan. 1948), thus providing Craycroft with a substantial part of capital required to build its proposed $12 millions pulp mill on Vancouver Island's inside coast. The plan supersedes an earlier proposal for a pulpboard mill; envisages construction of a 200-tons-a-day sulphate pulp mill employing 200 and utilizing fir, cedar and hemlock waste from current MacMillan operations. If started this year, the huge new plant would be completed in 1950. Planned location is near Cassidy, about nine miles south of Nanaimo.

• • •

E. B. Eddy

Eddy Paper's E. B. Eddy Co., President G. Gordon Gale, Hull, Que. for expansion work, improvements and new equipment at Hull and Ottawa has allocated $4.2 millions in spending incurred or about to be incurred 1946-48, mainly for machinery. One of the major expansion units is an extension to bleachery at the Hull mill; engineers Stadler, Hurter & Co., Montreal, steel and clay tile, 60 ft. high. Public offering of an additional issue of $3 millions E. B. Eddy 1st mortgage sinking fund 4% bonds, series "B" is dated Dec. 15, 1947, maturing June 15, 1966; proceeds to be applied toward capital expenditures.

• • •

Pittsburgh's Murphy

Murphy Paint, Montreal, one of the Pittsburgh Plate Glass affiliates and headed by Harry W. Thorp, completing small (10,000-sq. ft., $150,000 equipped) new plant in Vancouver; last summer completed $1-million new plant at Long Branch, near Toronto; soon afterward completed new resin plant and office at Windsor, Ont., where a new paint plant is contemplated. The new Long Branch plant by Architect J. C. Meadowcroft and Contractor Foundation Co. of Ontario is something of an industrial showplace in the Toronto area.

• • •

Consol. Tanneries

Consolidated Tanneries Ltd., Quebec City, completing plant renovation to cost an estimated $100,000 for construction and $150,000 for equipment to expand output of upper leathers for shoes. Payroll will be increased progressively from 150 to 250 in the shoe upper division bringing Consolidated's total to about 350 workers. "Substantial" gain in manufacturing capacity is reported expected with completion of the current work summer 1948.

• • •

Shirriff's

Shirriff's Ltd., Toronto, President William M. Shirriff, plans to spend $207,000 of recent (its first) share offering to build or complete and equip manufacturing and warehousing premises in Toronto and suburban Scarborough township. It is adding 22,700 sq. ft. of floor space in a three-story steel, brick and reinforced concrete addition to 50,000-sq ft. plant on Matilda St.; engineers Margison & Babcock; contractor Carter Construction. Nearing completion in Scarborough is a new metal-clad warehouse to replace a downtown brick building bought two years ago and which will be offered for sale. Shirriff's makes marmalades, jams, jellies, jelly powders, dessert powders, cake mixes, flavoring essences, etc.; for the soda fountain trade and, under names Hungerford Smith and Creamix, fruits, toppings, beverages, concentrates, mixes, flavorings, fruits, colorings.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

MACLAREN QUEBEC POWER net profit for the year ended Nov. 30, 1947, was up 81%. Power sales of $3,134,617 were up $712,762.

INCOME ACCOUNT

Years Ended Nov. 30:	1947	1946
Power sales	$3,134,617	$2,421,855
Net earnings	2,725,499	2,072,499
Less: Amort. & depr.	608,892	607,846
Bond int., exp., etc.	599,395	695,693
Other int. (net)	13,901	17,586
Amort., disc. & exps.	98,077	73,634
Prov. for taxes	754,000	318,000
Profit for year	651,234	359,740
Times Bond Interest and Expense Earned:		
Before deprec.*	4.55	2.98
After deprec.*	3.53	2.11

*And amortization.

MACLAREN POWER & PAPER CO. net profit for the year ended Nov. 30, 1947, was up 41.6%. Earnings of the subsidiaries, Maclaren Quebec Power and James Maclaren Co. are incorporated. Power sales of Maclaren Quebec Power were $3,134,617 ($2,421,855). Sales of newsprint, logs, etc. less shipping expenses of James Maclaren Co. amounted to $8,546,582.

A reserve of $640,911 has been taken out of the parent company surplus, against a decline in prices of wood inventories.

CONS. INCOME ACCOUNT

Years Ended Nov. 30:	1947	1946
Net profit	$2,458,491	$1,735,445
Less: Dividends	1,000,000	1,000,000
Surplus for year	1,458,491	735,445
Earnings per Share and Dividend Record:		
Common	$4.92	$3.47
Paid	2.00	1.40+0.60

CONDENSED CONS. BALANCE SHEET

As at Nov. 30:	1947	1946
Cash & invest.‡	$6,115,307	$6,732,260
Accts. rec.	1,184,587	1,229,224
Inventories	4,391,561	2,428,861
Total curr. assets	11,691,455	10,390,345
Prep. exp.§	129,176	......
Misc. assets▲	1,069,193	1,213,415
Fixed assets*	28,775,406	29,458,112
Total assets	41,665,230	41,061,872
Total curr. liab.	2,727,320	2,179,178
Funded debt	18,728,500	19,482,500
Cap. & cap. sup.	15,069,471	15,069,471
Earned surplus▲	5,139,939	4,330,723
*After depr. & depl.	14,893,947	14,000,051
▲Incl. ref. EPT	27,460	35,824
‡Incl. Dom. bds.	......	5,385,686
§Incl. in curr. assets in co's. report.		
Working capital	8,964,135	8,211,167

NOVA SCOTIA SAVINGS, LOAN & BUILDING SOCIETY 1947 net earnings were $154,492 ($144,980). After crediting shareholders' accounts with $61,032 and providing $49,000 for Dominion and Province of Nova Scotia taxes, there was a surplus of $44,461 ($33,105).

Assets attained a new peak of $6,208,784 ($5,793,694). Investment account was reduced by sale of $50,000 Dom. of Canada 4½% bonds, to take advantage of the premium and at the same time to provide funds to meet the demand for mortgage loans. Volume of mortgages continued heavy but repayments were also high. Mortgage account now stands at $5,640,197 ($5,176,550).

	1947	1946
Liab. to public, etc.*	$4,437,175	$4,124,062
Shareholders' equity	1,771,609	1,669,632
*Secured by:		
Mtges. & sls. agree.	5,642,004	5,176,550
Office premises	26,267	26,892
Liquid assets‡▲	540,513	590,252
Total	6,208,784	5,793,694

‡Includes bonds and accrued interest.
▲Includes $21,999 ref. EPT.

SOCIETE NATIONALE DE FIDUCIE 1947 net profit was $52,520 ($48,689). It has been decided to reduce the par value of the stock to $10 a share. If this is approved, each shareholder will receive 10 shares for each share now held. Estates under administration at year end totalled $22,987,590 ($21,496,378).

	1947	1946
Liab. to public, etc.*	$775,556	$693,887
Shareholders' equity	752,877	724,157
*Secured by:		
Mtges.	56,193	56,267
Office furniture	2,246	459
Realty for sale	9,453	1,184
Liquid assets†	1,460,541	1,360,134
Total	1,528,433	1,418,044
†Includes bonds and stocks.		
Estates account	22,987,590	21,496,378
Earned per share▲	$2.10	$1.95
Paid ($100 par)	10.00	5.00+5.00

▲Based on present capitalization after 10-for-1 stock split.

LAPRAIRIE CO. 1947 net profit was up sharply from previous year at $104,817 ($50,170), due to a substantial increase in business volume. A ruling has not yet been obtained fixing standard profit. It is believed, however, that the reserve set up for income and excess profit taxes will be found sufficient.

CONSOL. INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$292,336	$168,125
Less: Bond int.	8,862	9,312
Depreciation	93,994	76,736
Income tax	84,663	31,907
Net prof. & surp.	104,817	50,170
Earnings per Share and Dividend Record:		
Preferred	$13.98	$6.69
Common	1.20	0.10

None paid on either stock.

$2,000,000

Calgary Power Ltd.

4½% Cumulative Redeemable Preferred Shares

(Par Value $100 per Share)

Preferred as to capital and dividends. Entitled to fixed cumulative preferential dividends when and as declared by the Board of Directors at the rate of 4½% per annum, cumulative from date of issue and payable in quarterly instalments. Redeemable as a whole, or in part by lot, on 30 days' notice at $103 per share plus accrued and unpaid preferential dividends calculated to the date fixed for redemption. Subject to the right of the Company to purchase such shares for cancellation at any time at or under the redemption price. Each share entitled to one vote.

Transfer Agents: Crown Trust Company, Montreal and Calgary.
Registrars: The Royal Trust Company, Montreal and Calgary.

CAPITALIZATION
(After giving effect to this financing)

	Authorized	Outstanding
First Mortgage Bonds, 3¼% Series due 1972	*	$11,000,000
Preferred Shares, Par Value $100	$7,500,000†	7,000,000‡
Common Shares, No Par Value	500,000 shares	350,000 shares

* Subject to the issue of additional bonds as provided for in the Trust Deed.
† Subject to the right of the Company to increase the capital stock of the Company and to issue further Preferred Shares ranking *pari passu* with those now authorized to be issued upon compliance with the provisions of The Companies Act.
‡ $5,000,000 of the 4% series and this issue of $2,000,000 of the 4½% series.

PURPOSE OF ISSUE

The proceeds of the sale of these Preferred Shares will be used to reimburse the Company for capital expenditures on additions to its properties, including the repayment of a bank loan incurred for that purpose, and for general corporate purposes. Such capital expenditures include those made for completion of the 16,000 h.p. Barrier hydro-electric station, which was placed in operation in August, 1947, and on extensive additions to transmission and distribution systems already completed or under construction.

We offer as principals these Preferred Shares for delivery if, as and when issued and received by us and subject to prior sale and the approval of counsel of all proceedings. We reserve the right to close the subscription books at any time without notice and to reject any or all applications and also in any case to allot a smaller number of shares than may be applied for.

Price: $100 per Share

It is expected that certificates in interim form will be available for delivery on or about April 1, 1948.

A prospectus, a copy of which has been filed with the Secretary of State of Canada under the provision of The Companies Act, 1934, as amended, will be promptly furnished on request.

ROYAL SECURITIES CORPORATION LIMITED

MONTREAL TORONTO HALIFAX SAINT JOHN QUEBEC OTTAWA WINNIPEG
CALGARY VANCOUVER CHARLOTTETOWN HAMILTON ST. JOHN'S, NFLD.

TODAY, Canada's merchant navy ranks fourth in the world—next to those of the United States, Britain and Norway. Our ocean-going tonnage is now *four times* as great as before the war. In 1939 we had only 35 regular ocean-going ships on our register. Now there are 153. The total of *all* our ships of over 1600 gross tons (including upper lakers, canal freighters and coastal passenger vessels) is now 386—representing over a million and a half gross registered tons of merchant shipping! That maritime achievement is typical of the tremendous industrial and commercial developments which have created new and greater opportunities for all Canadians right here at home in our own country today.

G. H. WOOD raised sufficient money in 1923 to buy a tiny Toronto soap plant employing two workers. Since then his energy, industry and consistent emphasis on salesmanship have built his company into the biggest sanitation products organization in Canada, manufacturing 176 separate items.

Mr. WOOD *says:* "I've always felt that business success comes from a combination of initiative salesmanship and harmony between labour and management; and nowhere is that combination more certain of achieving results than right here at home in our own country now".

Between the wars, Canada built no sea-going ships of any size. Today we have 17 major, fully equipped yards, with over 100,000 tons of shipping under construction, including vessels for European and South American countries.

Only one-eighth of the total cargo entered and cleared at Canadian ports was being carried by Canadian ships before the war. Last year our own ships were handling well over half of this tonnage.

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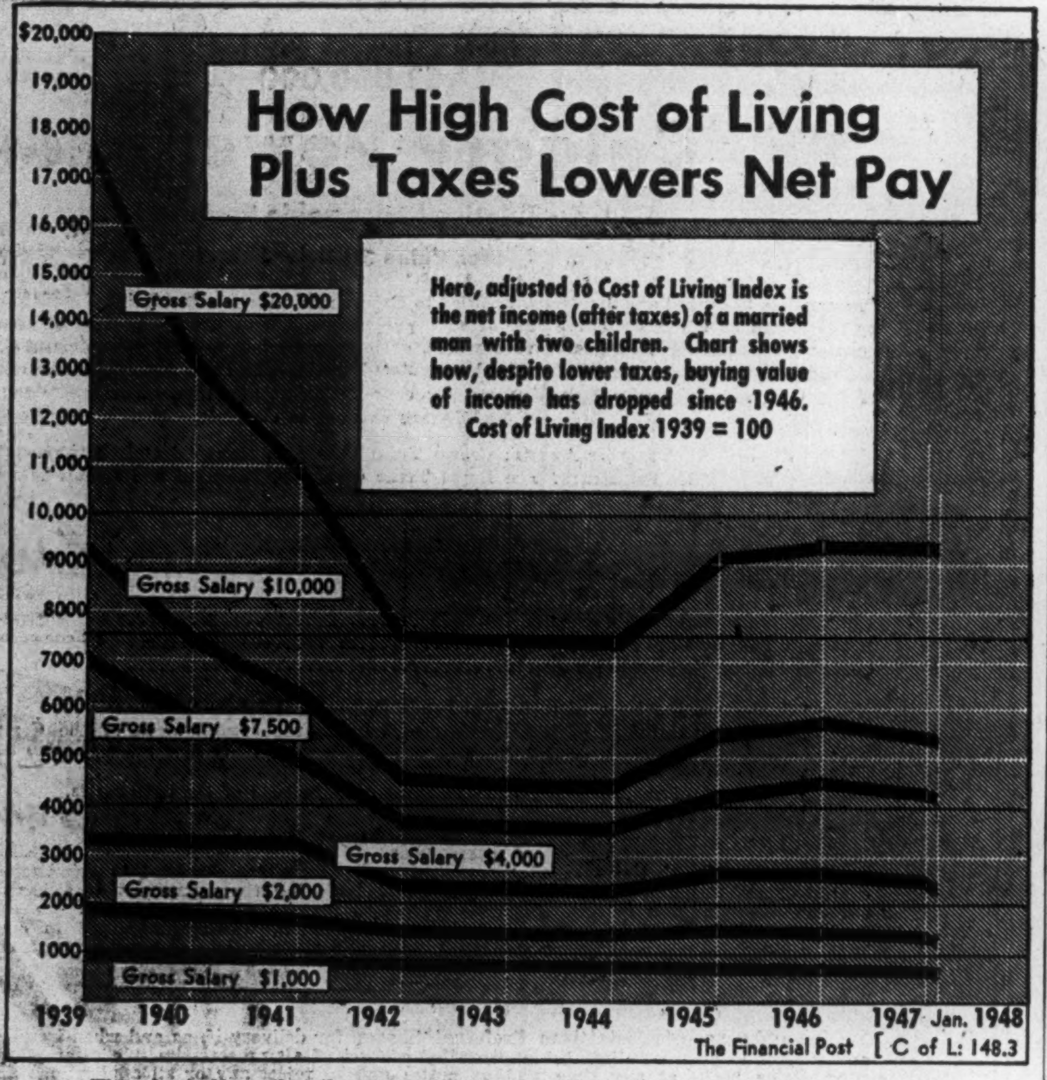

This chart shows that the man getting a gross income of $10,000 in 1939 now "nets" less than $5,500. And that isn't the whole story because, for his salary bracket, the cost of living index is a very inadequate picture of the increase in his living costs. In other words, if your salary doubled in the past nine years, your standard of living and of saving will be only a little less than it was prewar.

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New Look in Autos Spreading 'Big Three' Tooling for Change

How much longer are we going to have to take any new car we can get, instead of the one we want? How far around the corner of shortages is competition in the auto business.

The answers, in order: Not so long; and not very far. That's the consensus of a survey of the trade this week by The Financial Post.

Those questioned admitted import restrictions had delayed the inevitable slightly, but not enough to affect the over-all picture.

A leading manufacturer predicted he would be caught up with demand in certain lines by the end of the summer. Others admitted that even today, in some places, deliveries are being made within a month or less, on some makes.

Already dealers are having to go out and "sell" certain lines of trucks.

Substantiating this opinion is one piece of solid factual evidence: the Big Three — General Motors, Ford and Chrysler — are coming out with their first real postwar cars this year.

With automotive supply pipelines beginning to fill up, style is again looming as an important selling factor. A completely redesigned car should, the industry figures from past experience, whet the automotive appetite considerably, thus maintaining current production volume for some time.

Generally speaking, the new Fords, Chevrolets, Plymouths and Dodges will be more streamlined, lower, wider and will carry a lot more glass. Externally, they won't look anything like this year's models. But under the hood, they'll be about the same.

Specifically, here's the picture:

Ford: Of the Big Three, Ford will be on the market first with a completely redesigned car. At present, it looks as if the first of the new cars will be on view about midsummer; certainly in time for the Canadian National Exhibition Auto Show. The first production changeover sign appeared last week when Ford in Detroit, laid off 25,000 workers.

This year, also, Ford is planning to make the Ford look different to the bigger Mercury, at least in the United States. In the past, the Mercury has mainly been a larger version of the Ford. At the moment it still is not clear whether Canadian import restrictions will be a limiting factor in carrying out this same dual face-lifting program in Canada.

Here, unlike the U. S., Ford puts out four car models outside the Lincoln: (a) the Ford; (b) the Mercury 114, which is the same as the Ford except for identification changes; (c) the Mercury 118 and (d) the Monarch, which is the same as the Mercury 118, except for identification changes. In the United States, Ford does not have the Mercury 114 or the Monarch.

General Motors: New models will be out somewhat later than Ford. For the first time, G. M. of Canada is going to make its own front fenders at Oshawa. Previously they were made at Detroit. What the new Chevrolet and Pontiac and Oldsmobile will look like is still a well-kept secret.

Chrysler: 1947 lines are being carried over into 1948, with but minor, under-the-hood modifications. But a $60 million tooling program is under way. Chrysler does not intend to be left at the post. Like Ford, Chrysler duplicates car names under another name but unlike Ford, this is also U. S. practice. In this case, Plymouth and Dodge are essentially the same; also Chrysler and DeSoto.

As for the independents, little changes are expected for some time. Packard, Hudson, Kaiser-Fraser, Studebaker, all have redesigned their cars since the war; thus are a jump ahead of the Big Three.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

PROVINCIAL PAPER, LTD. 1947 net profit showed a sharp rise at $1,055,511 ($355,170 in 1946). Total production of the many grades of paper was at a new high. The company began production of machine-coated paper for the first time in the history of Canada. Full effect of refinancing in 1946 was reflected in the year's earnings, it is stated.

A thorough renovation of the company's mills is overdue and every effort is being made to catch up with deferred maintenance and to install new facilities where they are most needed, president D. W. Ambridge states. Net sales for the year were $11,829,261.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net sales	$11,829,261	....
Net earnings	2,447,031	$1,364,042
Less: Deprec.	188,320	250,000
Empl. pens. fund	218,200	200,000
Bond int.	......	133,872
Inc. tax res.	985,000	425,000
Net profit	1,055,511	355,170
Less: Pref. divds.	40,000	195,417
Com. divds.	262,500	......
Surplus for year	753,011	159,753
Earnings per Share and Dividend Record:		
4% pref.	$52.78	$17.76
Paid	2.00	0.50
7% pref. (old)	....	5.25
Common	2.90	0.46
Paid	0.75	....

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$54,436	$208,313
Accts. rec.	1,543,092	1,036,212
Inventories	2,801,526	1,813,092
Total curr. assets	4,399,054	3,057,617
Int. in sub. co's.	176,275	176,275
Misc. assets▲	175,241	195,455
Fixed assets*	4,611,517	4,498,029
Total assets	9,362,087	7,927,376
Total curr. liab.	1,473,907	823,164
General res.	629,536	‡651,286
Capital stock	5,100,000	5,100,000
Surplus▲	2,158,644	1,352,926
*After depr. of	5,937,879	5,749,558
▲Incl. ref. EPT	111,576	111,576
‡Incl. $30,000 prem. on 4% pref. shs.		
Working capital	2,925,147	2,234,453

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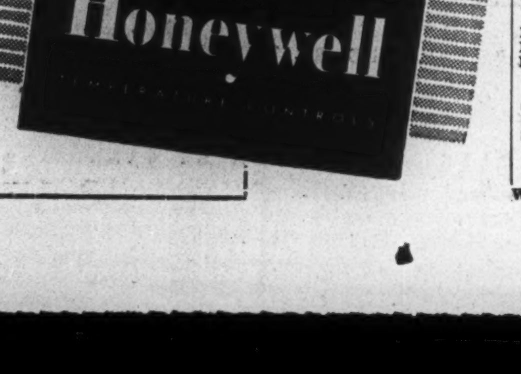

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Ont. Steel Prod. Sells 3% Notes

Ontario Steel Products Co., Gananoque, Ont., has sold privately $750,000 3% collateral trust notes dated Feb. 1, 1948, and due Feb. 1, 1949-53 ($75,000 a year) and Feb. 1, 1954 ($375,000).

Proceeds are to finance expansion of plants and production facilities to keep pace with customers' demands and also to take care of future expansion which may be found necessary in the immediate future, General Manager E. S. Byers states.

Results of the new import restrictions are not yet apparent and it may be some little time before the full impact of these restrictions on the company may be appraised, Mr. Byers states. "At the moment, however, there have been no curtailments in our production schedules and none are anticipated in the immediate future, all of which means that the bulk of the departments at our three divisions are operating at as high a rate as the availability of materials will permit," he adds.

ARROW-MARJON OILS has been struck off the Alberta register.

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. . .

CANADIAN STATIONS

Dominion Drive Yourself Car Company, CALGARY; Cory & Crough Garage & Drivurself, EDMONTON; Western U-Drive, LETHBRIDGE; Dawson Creek Yellow Cabs Ltd., DAWSON CREEK, B.C.; U-Drive Ltd., VANCOUVER; Nash Taxi & U-Drive Ltd., WINNIPEG and NORWOOD, Man.; Hillcrest Motors Ltd., HALIFAX; MacLellan's U-Drive Service, TRURO, N.S.; Andy's Service Taxi & U-Drive, FORT WILLIAM; Hertz Drivurself System, Lic., GUELPH; Hertz Drivurself System, Lic., HAMILTON; Hertz Drivurself System, Lic., KINGSTON; Skee's Drivurself, KITCHENER; National Driv-ur-self System, LONDON; United Taxi, OSHAWA; Tilden Drive Yourself Co., OTTAWA; Fraser's Taxi, PEMBROKE, Ont.; Rent A Car Co., PORT ARTHUR; Hertz Drivurself System, Lic., SUDBURY; Hertz Drivurself Stations of Ontario, TORONTO; Yellow Drivurself System, WINDSOR; Tilden Drive Yourself Co., MONTREAL; Moore's Taxi Ltd., REGINA; Peters Nash Sales Ltd., Sydney; Sarnia Car Rental Service, Sarnia.

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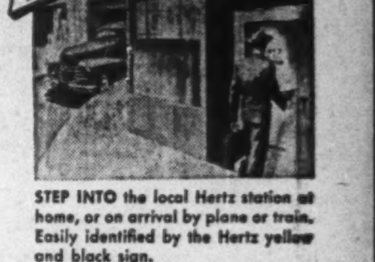

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7-15

1947-48

WHO'S WHO IN CANADA

B. M. Greene, Publisher

Is now being printed and will be ready for distribution in the fall of 1948.

With this issue, we mark 37 years of consecutive biennial publication of the standard Canadian reference work. This volume, revised and brought up to date, will contain some 1800 pages with about 4000 biographies, illustrated with halftone engravings.

A limited edition is being printed and the type is melted down after the press run. The greater part of this issue is already sold. If you require WHO'S WHO IN CANADA, please place your orders early. Our last three editions were sold out before publication and numerous orders could not be filled.

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The Editor welcomes communications from editors, university heads, public relations officials and individuals suggesting names for inclusion, which will be treated in confidence.

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A-21

How Do Investment Trusts Stand?

Portfolio Valuations Up $13 Millions Over Cost

Market action of investment trust common stocks, 1937 to date, shows a rise in value to $94.85 from $71.45, equal to 32.8%, compared with the 8% index rise of all common stocks to 102.1 from 94.5.

The accompanying table prepared by The Financial Post on 12 representative trusts, shows that Dominion Scottish Investment Ltd. common stock, which sold around the $1 level in 1937, had by the end of 1946 quadrupled its value to the $4 mark, and has since sold only slightly under that level. Substantial appreciation is evident in the market price of more than half of the trusts shown.

Portfolio valuations, as tabulated, indicate that the trusts also had difficulties to face in the leaner years of the 30's. Holdings which were entered at a cost of $75 millions at the end of 1937 had a market valuation of $55 millions or less than 75% of cost. Present position of the trusts is relatively sound as they reported market valuation of $90 millions at the end of 1946, against a cost of slightly over $77 millions. From the few reports available on 1947 operations, it would seem that this favorable trend was continued.

Cost value of the trusts' portfolios show less than a 5% increase from 1937 to 1946, and on this basis would indicate that their growth has not kept pace with other corporate enterprises. This static condition permits the view that a fair portion of the securities owned in 1937 were held throughout the following depressed market periods. On an over-all basis, these securities returned to their former costs and even better, which points out the value to private investors of holding, rather than selling, sound and seasoned securities during times of market stress.

Portfolio Values

Most of the investment trusts in which Canadians have an interest bring together capital through the sale of the trusts' own securities, and then invest these funds for maximum safety and earning power in a diversified list of investments. Such is not always the case and on occasions, some trusts have found themselves to be the holders of less desirable investments.

Portfolio holdings are therefore of paramount importance to the investor who would place his money at large under the management of the particular trust which he may select. Unfortunately there is a sad dearth of information on holdings that enable the investor to judge the trusts' securities individual merits. Practically all trusts split their investments on a percentage basis between bonds, preferred stocks and common stocks. Some go so far as to tell where the investments are located geographically; others exceed this by telling the nature of the security, whether food companies, pulp and paper companies, steel companies, etc.

Management

Management of the trusts is usually under the direction of a well informed board of directors, who, under a contract and for a fee, determine the allotment of the funds available for investment. Restrictions in the company's charter or bylaw normally cover the type of security that may be purchased, and usually limit the amount that may be placed in any one type of security or individual company's securities.

Capitalization of many trusts consists of bonds, preferred stock and common stock. For tabular purposes only common stocks have been shown though it should not be overlooked that the senior securities in some trusts are more active than the common stock, which is often closely held.

Investment policies vary considerably from trust to trust. The analysis of Canadian General Investors Ltd. shows 7.9% in bonds 44.1% in preferred stocks and 48% in common stocks as compared with Can. Inv. Fund Ltd. who have 97.8% in common stocks, the balance being almost equally applied to bonds and preferreds.

An over-all trend away from common stock investments is apparent in the majority of the trusts reviewed, reflecting the consolidation of their funds in more senior securities.

Yields to be secured from the common stock of the trusts averaged approximately 4.7% at end of 1946 as compared with 4.4% and 4.6% on all preferred and common stock respectively. This better-than-average yield is an incentive for investors of more conservative tendencies and might well be encouraged if the trusts provided more complete information regarding their activities.

The Record of 12 Investment Trusts

Name of Trust	Fiscal Year	(Cost) $	(Mkt. Val.) $	% to Cost	Represented by Bonds %	Pref. Stk. %	Com. Stk. %	Net Profit $	Earn. per Com. Sh. $	Com. Divs. $	Mkt. 1946-1947	Close Mar. 13/48
Can. Gen. Invest's Ltd.	1946	8,752,258	13,481,512	153.3	7.9	44.1	48.0	562,290	0.94	0.84	16.00	14.25
	1937	6,223,580	7,263,146	116.7	12.3	37.5	50.2	397,821	0.66	0.50	8.40	...
Can. Investors Corp.	1946	1,070,137	1,181,808	110.4	36.3	27.6	36.1	44,876	0.45	0.40	7.75	7.00
	1937	1,328,308	893,537	67.3	13.	7.4	79.6	45,807	0.46	0.40	6.75	...
Can. Invest. Fund	1946	9,441,082	11,285,897	119.5	1.2	1.0	97.8	437,618	0.18	0.20	4.70	4.35
	1937	5,557,084	5,121,485	92.2	...	...	...	318,210	0.23	0.20	3.55	...
Can. Inter. Invest. Trust	1946	2,359,259	3,408,000	144.5	15.7	27.1	57.2	89,053	0.31	...	3.25	3.00
	1937	4,267,779	4,746,000	111.1	27.8	21.4	50.8	88,517	.08	...	1.80	...
Corp. Investors	1946	988,092	1,848,465	187.1	4.6	49.3	46.1	70,675	0.37	0.32	8.70	8.00
	1937	1,189,805	1,395,245	117.3	4.4	29.6	66.0	35,580	2.06	0.28	5.75	...
Dom. Scottish Invest.	1946	3,587,964	4,499,000	122.9	31.9	19.3	48.8	130,486	0.09	...	4.00	3.50
	1937	3,468,020	3,610,133	104.1	7.9	30.1	62.0	138,309	0.11	...	1.00	...
Economic Invest. Trust	1946	2,843,626	3,715,000	130.6	30.9	13.4	55.7	88,005	2.20	2.00	30.00	34.00
	1937	2,824,620	2,108,945	74.7	9.8	31.2	59.0	89,881	2.24	2.00	28.25	...
Gt. Brit. & Can. Invest.	1946	6,382,313	7,010,881	109.8	13.4	22.2	64.4	132,605	‡0.13	...	1.50	1.00
	1937	7,179,274	3,697,200	51.5	...	...	...	72,261	‡0.37	...	1.00	...
Hydro Elec. Sec. Corp.	1945	21,454,888	19,117,582	89.1	...	...	...	525,602	0.12	...	3.00	2.50
	1937	22,902,891	11,581,049	50.6	46.0	12.0	42.0	728,046	0.26	0.20	5.00	...
Inv. Bond & Share Corp.	1946	1,981,415	2,027,486	102.3	9.7	9.2	81.1	20,023	...	...	0.25	0.25
	1937	2,774,466	1,268,909	45.7	20.4	20.0	59.6	1,224	...	...	...	...
London Can. Inv. Corp.	1946	8,338,438	8,404,398	100.8	25.6	13.8	60.6	96,232	‡0.10	...	0.50	0.50
	1937	9,049,046	5,294,047	58.5	13.5	13.4	73.1	96,871	‡0.15	...	0.75	...
United Corp. Ltd.	1946	10,110,379	14,057,108	139.0	15.0	18.3	66.7	321,626	1.01	0.75	21.00	16.50
	1937	7,405,581	8,368,561	113.0	25.4	20.2	54.4	205,077	0.45	...	18.00	...
Totals	1946	77,309,841	89,977,622	116.4								
	1937	74,170,414	55,342,347	74.5								

‡Deficit.

COMPANY REPORTS

EDWARD LIPSETT LTD & LIPSETT ENGINE & MANUFACTURING CO., Vancouver, B.C., net profits at $88,160 in year ended Nov. 30, 1947, were up from $49,635 in previous fiscal year. Net working capital jumped $362,031 to $853,862. Inventories at $1,184,545 were up from $897,297 at end of fiscal year.

Funded debt of $365,000 represented an issue of 4½% first mortgage debentures maturing Jan. 2, 1948, to 1954. Previously $70,000 in serial debentures were outstanding.

CONSOLIDATED INCOME ACCOUNT

Years Ended Nov. 30:	1947	1946
Net earnings	$234,307	$172,893
Less: Deprec.	20,807	30,002
Bond int.	14,197	4,114
Other int. (net)	20,143	15,642
Prov. for taxes‡	81,060	64,500
Net profit	88,160	49,635
Less: Cl. A divd.	10,000	5,000
Surplus for year	78,160	44,635
‡Incl. ref. EPT	......	1,000
Earnings per Share:		
Class A:		
Excl. ref. EPT	$8.82	$4.96
Incl. ref. EPT	8.82	5.06
Paid	1.00	0.50
Class B:		
Excl. ref. EPT	5.28	2.68
Incl. ref. EPT	5.28	2.75
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Nov. 30:	1947	1946
Cash	$1,732	$1,738
Accts. rec., less res.	425,910	307,531
Inventories	1,184,545	897,297
Total curr. assets	1,612,187	1,206,566
Consign. stocks	199,687	72,333
Def. charges‡	59,784	67,651
Fixed assets	294,536	275,840
Total assets	2,166,194	1,622,090
Bk. loan & overdft.	343,674	367,351
Accts., etc., pay.	414,651	347,384
Total curr. liabs.	758,325	714,735
Consign. stocks	199,687	72,333
Funded debt	365,000	70,000
Capital stock	496,000	496,000
Capital surplus	105,584	105,584
Earned surplus‡	241,598	163,438
‡Incl. ref. EPT	56,014	61,513
*After depr. of	239,181	222,467
Working capital	853,862	491,831

ORANGE CRUSH advises that Argus Corp. has been granted an option to April 21 to purchase at $8 any shares not taken up by shareholders under offering of rights, and a further option for an addtiional 30 days to purchase 50,000 shares at same price. Argus Corp. has undertaken to take up shares under rights and additional shares available up to 125,000 shares.

DOMINION FOUNDRIES & STEEL advises that an additional 90,214 shares have been listed on the Toronto Stock Exchange, bringing total listings to 455,227 shares.

Memo to Management

May 31st, 1948, will be an important date in Canadian business history. On that day, buyers and sellers from all parts of the world will assemble in Toronto. The occasion: the opening of Canada's first International Trade Fair.

Displays Limited can help make your exhibit a success. With an outstanding record of exhibits, interiors and displays to our credit, for many leading Canadian companies including Shell Oil, R.C.A. Victor, Imperial Oil, I.B.M., Goodyear, Canadian Oil, Addison Radio and Birks-Ellis-Ryrie. Displays Limited is designing and building a large number of booths for Trade Fair exhibitors. Let us make your exhibit at the Fair a memorable one. For details of our complete design and construction service, consult

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REFUNDING AND NEW ISSUE

$25,000,000

THE T. EATON REALTY COMPANY, LIMITED

(Incorporated under the laws of the Dominion of Canada)

First Mortgage Bonds Series A

To be dated **March 15, 1948**

$5,000,000 3¼% Serial Bonds to mature $500,000 March 15, 1950, and $750,000 annually **March 15, 1951 to 1956, inclusive**

$20,000,000 3½% Sinking Fund Bonds to mature March 15, 1968

Principal and half-yearly interest (March 15 and September 15) and redemption premium, if any, payable in lawful money of Canada at any branch in Canada of the banks designated in the Bonds (Yukon Territory excepted). Bonds in coupon form, registrable as to principal in Toronto. Serial Bonds in the denomination of $1,000 (and authorized multiples thereof) redeemable prior to their respective dates of maturity at the option of the Company on at least thirty days' notice, as a whole at any time, or in part from time to time, at the principal amount thereof plus accrued interest to the date specified for redemption. No Serial Bonds of any maturity may be called for redemption unless all of the outstanding Serial Bonds of that maturity and of every later maturity are called for redemption on the same date. Sinking Fund Bonds in denominations of $1,000 (and authorized multiples thereof), $500 and $100, redeemable prior to maturity at the option of the Company on at least thirty days' notice, as a whole at any time, or in part from time to time by lot, at the following percentages of the principal amount thereof: 103% on or before March 15, 1953; 102% thereafter and on or before March 15, 1958; 101% thereafter and on or before March 15, 1963; 100.50% thereafter and on or before March 15, 1965; and thereafter at the principal amount thereof; in each case with accrued interest to the date specified for redemption. The Company will also have the right to purchase Serial and Sinking Fund Bonds in the market or by private contract at not more than the redemption price applicable at the time of purchase, plus costs of purchase. The Trustee will have the right to call Sinking Fund Bonds for redemption to the extent required in each year for Sinking Fund purposes by lot at the principal amount thereof plus accrued interest to the date specified for redemption or to purchase Sinking Fund Bonds for such purposes in the market or by private contract at not more than the principal amount thereof and accrued interest plus costs of purchase.

Trustee: National Trust Company, Limited.

In the opinion of Counsel, these Bonds will be investments in which The Canadian and British Insurance Companies Act, 1932 (Dominion), as amended, states that companies registered under it may invest their funds

The Company will covenant to establish a Sinking Fund for the retirement of $10,000,000 principal amount of 3½% Sinking Fund Bonds and for that purpose to pay to the Trustee the following sums:

January 15, 1957	$761,000	January 15, 1962	$ 904,000
January 15, 1958	788,000	January 15, 1963	935,000
January 15, 1959	815,000	January 15, 1964	968,000
January 15, 1960	844,000	January 15, 1965	1,002,000
January 15, 1961	873,000	January 15, 1966	1,037,000
January 15, 1967	1,073,000		

Maturities of Serial Bonds and these Sinking Fund payments are calculated to retire $15,000,000 principal amount of First Mortgage Bonds Series A prior to March 15, 1968.

PRICE

3½% Sinking Fund Bonds: 100 and accrued interest

We, as principals, offer subject to prior sale 3½% Sinking Fund Bonds if, as and when issued by The T. Eaton Realty Company, Limited and accepted by us. The issue, purchase and offering of the First Mortgage Bonds Series A are subject to the approval of all legal details by our Counsel, Messrs. Lash & Lash, and by the Company's Counsel, Messrs. Mason, Foulds, Davidson & Arnup, who will also report on the Company's title to the specifically mortgaged premises, relying, in the case of properties in Provinces other than Ontario, on the opinions of the Company's solicitors in such Provinces.

It is expected that Trustee's Interim Certificates, later exchangeable for Definitive Bonds of the Company, will be available for delivery in Toronto and Montreal on or about March 30, 1948.

DOMINION SECURITIES CORPN. LIMITED

TORONTO MONTREAL VANCOUVER NEW YORK LONDON, ENG.
WINNIPEG OTTAWA QUEBEC CITY SAINT JOHN HALIFAX
KITCHENER HAMILTON LONDON, ONT.

March 17, 1948.

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- Trustee
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34 King Street West, Toronto
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New Bookkeeping System Affects Dominion Surplus

Ten Months' Surplus of $741 Millions Drops to $357 Millions When Loans and Advances to United Kingdom and Europe Are Subtracted

OTTAWA (Staff)—Did unwitting Canadian taxpayers get a $384 million sock in the eye the other day?

Out from the "Office of the Comptroller of the Treasurer" came an innocent-looking document entitled "Receipts and Disbursements for the month of January, 1948, from April 1, 1947, to January 31, 1948, and for the corresponding periods in the previous fiscal year."

In form and appearance the document looked no different from hundreds of similar documents published monthly for many years. But close scrutiny showed that a new and important "addition" had been made in the customary form.

The addition is in fact a subtraction. A subtraction which "tempers" the budgetary surplus of $741 millions by the sum of $384 millions.

(A high government official states there is no such intention or distortion. It is admitted there has been a change in procedure, but it is claimed that this involves no change in government practice or policy. What has been done, The Financial Post is told, in light of the presently huge government surplus, is to draw especial attention to the moneys which the Government is paying out by way of loans, advances and investments, over and above normal budgetary expenditure.)

In previous statements, and in accordance with traditional budget practice, these government accounts have always heretofore been on a straight "revenue" and "expenditure" basis. Total revenue was shown, and total expenditures; the difference between these two, constituted the monthly or cumulative "surplus" or "deficit." As at the end of December, according to the previous statement of the Comptroller, the "surplus" stood at $646.2 millions.

On another and separate side of the Comptroller's statement, there appeared, in the past, the so-called "capital account." This recorded the totals of "loans, advances and investments" for the period under review.

Cut by More Than Half

Under this practice, the government's budgetary surplus would have risen by another $95 millions in January. For the 10-month period ending Jan. 31, the difference between revenue and expenditure tallies the magnificent figure of $741 millions.

(The word "magnificent" is not inappropriate when it is recalled that in his budget speech of April 29, 1947, Finance Minister Abbott estimated that the surplus for the entire 12-month period would be only $190 millions. Mr. Abbott warned, however, that this figure was predicated on the assumption that "our national income, production and trade will be at high levels." He cautioned that a recession was possible and that the projected surplus of $190 millions might therefore disappear entirely!)

But between December and January an alteration in the government's accounts has taken place.

After the final and customary line "Grand Total Expenditures" there has been added the total of "Loans, Advances and Investments (net)." Thus all these "capital" accounts have, for the first time, (in this compilation) been added to the total of customary expenditures of government. The sum now added is $384.5 millions.

In the result, a further line now appears which reads: "Grand Total Disbursements." So instead of showing the customary surplus figure (which this month would have been $741 millions) the expert with pencil and paper who wishes to do a rapid sum on the nation's finances now finds an over-all surplus, as between "receipts" and "disbursements," of only $357 millions for the 10 months ending Jan. 31.

Bookkeeping Changed

Reference has already been made to official denials that the change has any real significance. It is pointed out that since the bulk of 1947-48 advances represent loans or advances to Britain and European governments, these are, in fact, cash "disbursements" and should be included in any appraisal of the Government's present fiscal situation. It is also argued that this is the method used in the United States system of government accounting.

It is further pointed out that during the war, Rt. Hon. J. L. Ilsley used to warn budget listeners that the Government's cash disbursements might run far in excess of budgetary expenditures. It is also pointed out that for many years the Bank of Canada in its periodic review of government accounts, has published a statement on a "disbursements" basis.

In his last budget speech, Mr. Abbott made little or no reference to this problem. At one point he noted especially that "in addition to our budgetary expenditures, the Government is also called upon to provide cash during each fiscal year for the making of certain loans, advances and investments. He goes on to say that these loans "increase the active assets of the Dominion and therefore do not affect the surplus or deficit or the net debt."

Faced with a tremendous budgetary miscalculation, amounting at the present time to something near $500 millions, the Government has now apparently decided to take more cognizance of the moneys which have been advanced to the United Kingdom and Europe (in the gross amount of $475 millions for the present fiscal year) and link these with the "current" or budgetary accounts.

The Financial Post is assured that this does not mean any change in practice so far as next year's Federal budget is concerned.

ELDER MINES has not received payment for balance of March installment of 64,200 shares at 75 cents and balance of agreement with Federal Trading & Agency Co. has been terminated by mutual consent.

PACIFIC PETROLEUMS reports an additional 2,667 shares have been issued for 8,000 shares of Atlantic Oil Co. in connection with share exchange. Issued capital is 1,850,000 shares.

NT

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BRITISH COLUMBIA POWER CORPORATION
LIMITED
and Subsidiary Companies

CONSOLIDATED STATEMENT OF INCOME AND EARNED SURPLUS
for the Year Ended December 31, 1947

Gross revenue from operations			$31,819,483
Deduct—			
Expenses:			
Operation and maintenance, including property taxes		$21,833,473	
Legal fees and executive remuneration		128,860	
Directors' fees		22,250	
Provision for accidents		254,000	
Employees' pensions			
Payments under contributory plan:			
In respect of past years' services	$340,000		
In respect of 1947 services	338,950		
	678,950		
Payments to pensioners from general funds	235,967	914,917	
Provision for deciation		3,017,928	
Provision for taxes on income		1,833,000	28,004,428
Operating income			$ 3,815,055
Add—			
Income from investments		140,898	
Profit on sale of investments, etc.		288,702	429,600
			4,244,655
Deduct—			
Interest on bond debt	$1,656,367		
Less—			
Interest charged to construction	218,342	$ 1,438,025	
Bond discount and refunding expenses written off:			
Applicable to refunded issues	$ 78,420		
Applicable to outstanding issues	40,725	119,145	1,557,170
Net income for the year			$ 2,687,485
Deduct—			
Dividends on preference shares and stock of subsidiaries:			
British Columbia Electric Company Limited—			
6% cumulative preference shares (redeemed May 12, 1947)	$110,000		
4% cumulative preferred shares (issues May 12, 1947)	306,000	416,000	
British Columbia Electric Railway Company, Limited—			
5% cumulative perpetual preference stock		290,880	706,880
Add—			
Earned surplus as at January 1, 1947		$1,316,677	
Excess of appraised value received over net book value of electric properties disposed of, at Kamloops and in central Vancouver Island		586,051	1,902,728
Deduct—			$3,883,333
Premium on redemption of 6% cumulative preference shares, and commission and expense on issue of 4% cumulative preferred shares, of British Columbia Electric Company Limited			643,348
Deduct—			$ 3,239,985
Dividends on Class "A" shares of parent company			1,600,000
Earned surplus as at December 31, 1947			$ 1,639,985

Copies of the complete Annual Report may be obtained by writing B.C. Power Corporation, Limited, 425 Carrall Street, Vancouver, B.C.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

TOBURN GOLD MINES earnings remained practically unchanged at $14,110 or 0.8 cents a share in 1947 but development footage was increased and there was a small gain in ore reserve tonnage as shown below.

A total of 1,397 ft. of ore was opened during the year, work being considerably more productive in finding of ore. On 400-ft. level of No. 3 shaft, a length of 250 ft. of ore was opened averaging 0.50 oz. gold across drift width.

While development on deeper levels was curtailed to permit diamond drilling on the 2,475 -ft. level of Toburn, Continental and Federal Kirkland ground, approximately 30% of footage was nevertheless at deeper levels.

During the year, the company acquired 425,000 Continental Kirkland shares for $21,250, 259,372 Beaverhouse Lake shares for $9,975 and 756,000 shares of Central Porphyry Contacts for $15,120. Several groups of mining claims are held in Ontario and Quebec but only surface work was done in 1947.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Prod. (less mktg.)	$508,148	$478,633
Less: Oper. exps.	482,739	448,048
Net oper. earn.	25,409	30,585
Less: Misc. loss, net	2,415	615
Depr. & depl.	7,384	15,814
Taxes	1,500	....
Net profit	14,110	14,156
Less: Dividends	....	37,000
Surplus for year	14,110	•22,844
•Deficit.		
Earned per Share	$0.008	$0.008
Paid	......	0.02

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$546,806	$590,243
Dom. bonds	17,000	17,000
Accts. rec.	19,597	1,165
Mat. & supplies	24,714	28,645
Total curr. assets	608,117	637,053
Prep. & def. chgs.	3,681	2,644
Invests.	46,347	2
Prop. & equip.▲	23,536	28,944
Total assets	681,681	668,643
Accts., etc., pay.	23,828	34,130
Accrued taxes	1,000	2,325
Total curr. liab.	24,828	36,455
Capital stock	658,000	658,000
Less: Deficit	1,147	25,812
▲After depr. & depl.	998,935	991,551
Working capital	583,289	600,598

OPERATING STATISTICS

	1947	1946
Tons milled	41,849	40,753
Average recov.	$12.14	$11.74
Ore reserves, tons	68,000	62,925
Grade ($35 gold)	$17.50	$18.20

MONTREAL LOCOMOTIVE WORKS 1947 net profit was off sharply at $1,260,706 ($2,934,842). Reduction in earnings was occasioned largely by lower volume of business, Chairman of the Board Duncan W. Fraser stated. Although 1948 production schedule contains periods of low production occasioned by irregular deliveries of materials, a good level of production for the year as a whole is assured, it is said.

The company has approximately $19 millions in unfilled orders, Mr. Fraser says. This is almost double the backlog of a year ago, and includes approximately $2 millions in orders for Diesel-electric locomotives. The company intends to maintain the productive facilities necessary to handle demands for steam and Diesel-electric locomotives from both foreign and Canadian railways.

Backlog of orders includes steam locomotive orders for Egypt, Portuguese East Africa and India and three different type steam locomotives for delivery to the CPR. All orders for export in 1948 will be paid in U. S. dollars, it is said.

The company experienced an increased demand for its diversified line of pressure vessels, tubular heat transfer equipment for the petroleum and chemical industries. Further expansion of this type of business is expected in 1948.

Difficulties in obtaining material continue. Likewise, rising costs present a major production problem, it is stated.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$2,166,077	$6,821,274
Less: Deprec.	185,371	186,432
Income taxes	720,000	3,700,000
Net profit	1,260,706	2,934,842
Less: Com. divds.	560,000	420,000
Old pref. divds.	....	522,000
Old com. divds.	....	1,494,000
Surplus for year	700,706	498,842
Earnings per Share and Dividend Record:		
Common	$1.80	$4.19
Paid	0.80	0.60
Old pref.: Paid	....	1.50+42.00*
Old com.: Paid	....	83.00
*Arrears.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$9,002,377	$8,797,491
Accts., etc., rec.	764,319	1,595,226
Inventories	2,633,481	3,741,941
Total curr. assets	12,400,177	14,134,658
Misc. assets▲	2,349,251	2,308,694
Fixed assets*	2,240,633	2,493,146
Total assets	16,990,061	18,936,498
Accts., etc., pay.	1,145,666	1,355,759
Adv. on contr.	1,073,365	3,802,195
Inc. tax. & reneg.	490,411	....
Total curr. liabs.	2,709,442	5,157,954
Reserves	859,900	393,531
Capital stock	3,000,000	3,000,000
Earned surplus▲	10,420,719	10,385,013
*After depr. of	4,958,260	4,510,959
▲Incl. ref. EPT	2,234,757	2,238,569
Working capital	9,690,735	8,976,704

Backed by 85 years experience in steel construction, Hamilton Bridge with modern equipment and efficient facilities assures you of security and maximum economy in steel design, fabrication and erection.

CANADIAN CONSTRUCTION ASSOCIATION
CISC

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STOP THIS GREATEST SOURCE OF OCCUPATIONAL ACCIDENTS
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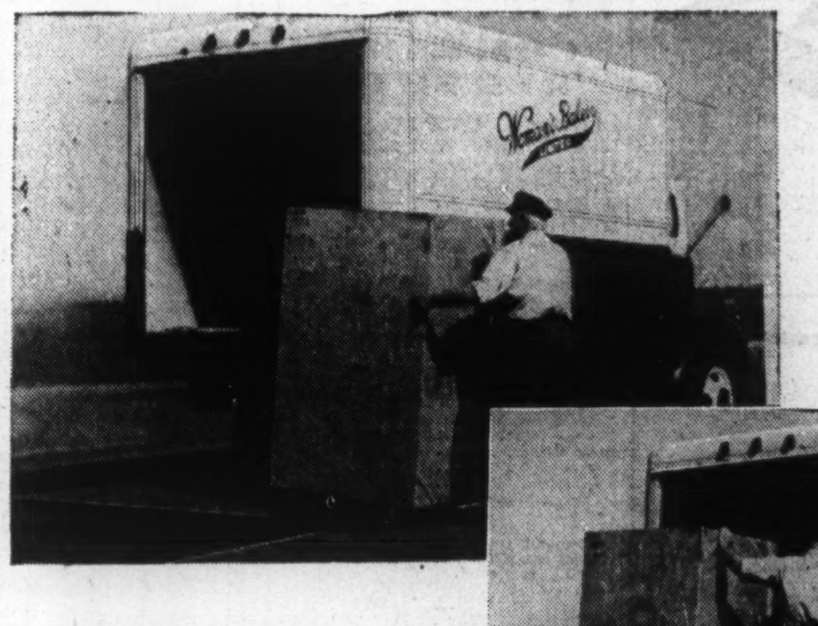

By far the most common . . . and most costly . . . of all industrial and occupational disabilities is hernia, brought about by the lifting and handling of heavy or cumbersome materials. The Brantford Tailgate Loader eliminates this injurious lifting . . . speeds up loading and deliveries . . . reduces the risk of damaged and broken goods . . . keeps workers happy, healthy and on the job . . . saves you time, trouble and expense!

Write for full particulars.

TRAILERS-HOISTS
TAILGATE LOADERS

BRANTFORD Coach and Body Limited
HEAD OFFICE and FACTORIES BRANTFORD, CANADA

BRANCHES: VANCOUVER • WINNIPEG • NORTH BAY • TORONTO • OTTAWA • WINDSOR • MONTREAL
WESTERN DISTRIBUTORS: COCKSHUTT PLOW CO. LIMITED • REGINA • SASKATOON • CALGARY • EDMONTON

ASSETS

Increasing personal assets by savings alone is a slow, laborious process. To put savings to work wisely through planned investment requires detailed, thorough knowledge. Accurate information about specific stocks, bonds, and other securities is available — make certain that before investing, this information is made available to you.

It is our business to make recommendations on the investment of personal assets. These recommendations are based on current information, as complete and accurate as active research can make it.

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Montreal Stock Exchange — Winnipeg Stock Exchange
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J. H. McQUAIG & CO.
Industrial Psychologists
Selection of Executives and Salesmen. Testing of Personnel for Industry
30 BLOOR ST. W., TORONTO — KI. 6514

5 Timely points regarding

Employee Pension Plans

Write for this memorandum

An increasing number of employers are finding that a properly established Employee Pension Plan not only provides sound benefits for employees but offers tangible corporate advantages as well.

We have prepared a brief memorandum outlining five salient factors to be considered today when setting up a Pension Plan or adding supplemental benefits under an existing Plan. — we shall be glad to send you a copy on request.

This Company offers employers experienced and practical assistance on the establishment and administration of Employee Pension Plans. Whether your organization is large or small, let us help you arrange a suitable retirement plan for your employees. A preliminary discussion involves no obligation on your part.

OTTAWA VALLEY TRUST COMPANY
Executors — *Trustees*
140 Wellington St., Ottawa - Tel. 5-7251
J. S. Shakespeare, General Manager

B.C. Gas Famine Fades Before 2c a Gal. Boost

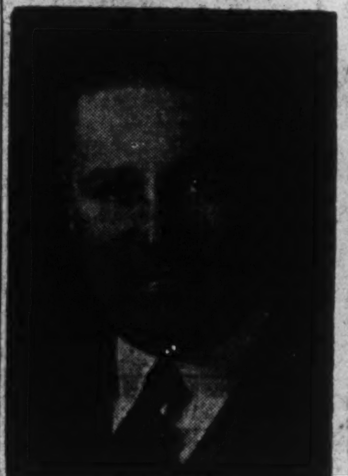
British Columbia's gasoline famine is rapidly disappearing before Premier Byron Johnson's latest price increase to the refinery companies. The recent two cents a gallon boost—of which the refinery companies receive 1½c—brings gasoline in the Vancouver area to 34c and 36c a gallon.

This makes a price increase of five cents in a little over a month and gives the refinery companies the 4½c a gallon asked for throughout the long price war. Service stations were granted a half-cent boost in their four-cents a-gallon margin.

Major oil companies appear satisfied with the boost, but the service station division of the Retail Merchants' Association, which has been campaigning for a one-cent increase in spread, was "disappointed."

Now that the price boosts have been granted the Government will "press upon the oil companies the urgency of meeting British Columbia's demands from B. C. refineries," Premier Johnson said.

"The Government is of the firm conviction that there should be no delay in the expansion of the refining facilities in this province, he added. "Only by increasing the refinery capacity can it be hoped to lessen the amount of importations."



HON. EDOUARD ASSELIN, K.C.

At a meeting of the Board of Directors of Abitibi Power & Paper Company Limited, March 11th, 1948, the Hon. Edouard Asselin, K.C., was appointed a Director of the Company.

Mr. Asselin, Senior member of the legal firm of Asselin, Cronkshaw, Gingras and Trudel, Montreal, is Government leader in the Legislative Council of the Province of Quebec.

For many years prominent in legal and Government circles in Quebec, Mr. Asselin is a director of Le Prevoyants du Canada and Sun Trust Company, Limited, Montreal.

Mr. George R. Cottrelle who has resigned has been a member of the Board since reorganization of the Company. *

New Ontario Firm To Make Auto Parts

From Our Own Correspondent

RIDGETOWN (Ont.) — A new firm will join the auto industry's drive to conserve U.S. dollars when it starts operations here March 15.

A purely local concern, A. J. Sales Co., the firm will manufacture metal stampings and assembly parts. A first contract, for door-lock parts, will bring in $30,000 which otherwise would have been spent in the U.S. A. J. Sales, president, states.

The new company has been capitalized at $100,000, Mr. Sales adds.

New Brunswick Mill Will Also Produce Kraft

MONTREAL (Staff) — Plans for a newsprint mill in New Brunswick will be brought one step nearer realization by a bill now before the legislature of that province. It is understood the measure calls for a share capital of $35 millions and another $30 millions to be raised by bonds. Incorporation of the company is being sought under the name of Maritime Pulp and Paper Mills; co-promoters are E. C. Atkipson, Fredericton barrister and pulpwood operator and Frederick C. Bagley Sr., Augusta, Maine newsprint manufacturer.

It is understood capacity of the proposed mill has been scaled down from the original 350,000 tons annually to 155,000 tons, or a daily capacity of around 500 tons. Another departure from the originally announced plan is the decision to manufacture kraft paper, with over-all initial capacity of 250 tons a day. With the revised over-all capacity figure of 750 tons a day, newsprint men here estimate that cost of the installations may be around $50 millions.

In addition to the mill, there is the question of adequate power supplies. It was previously reported (The Financial Post, Dec. 13) that the mill would be served by electric power generated by coal, which it was stated could be delivered to the site at Tidewater, for $6.10 a ton.

Just how much of the necessary capital has been raised thus far is not known. Two months ago it was stated that about 50% of the then proposed output of 350,000 tons yearly had been subscribed for by U. S. publishers. At the subscription price of $100 a ton this would indicate that approximately $17 millions had been subscribed. Since then, however, informed sources tell The Post that a U. S. group of paper manufacturers which has been looking over the Alaska timber lands, has decided to go in on the cost of producing either newsprint or other paper grades in Alaska.

Observers here feel that the decision to manufacture kraft as well as newsprint, may put the proposed mill on a more solid footing. At present, kraft is almost in as tight a supply position as newsprint. It is problematical, however, whether the Kraft would be marketed domestically or for export, it is said.

Calgary Power Pref. Offered

A new issue of $2 million 4½% cumulative redeemable preferred shares, par $100, of Calgary Power Ltd. is being offered at $100 per share by Royal Securities Corp.

Proceeds will be used to reimburse the company for capital expenditures and additions to its properties, including the repayment of a bank loan incurred for that purpose, and for general corporate purposes. Such capital expenditures include those made for the completion of the 16,000-hp. Barrier Hydro-electric station (on the Kananaskis River), which was placed in operation in August, 1947, and on extensive additions to transmission and distributions systems already completed or under construction, it is stated.

Calgary Power Ltd. has carried on business since June 16, 1947, having then acquired the business of Calgary Power Co. Ltd. which has been operating since 1911. Outstanding capitalization will consist of $11 million first mortgage 3¼% bonds due 1972; $5 million 4% preferred shares, par $100; $2 million 4½% preferred shares, par $100, and 350,000 no par value common shares I. W. Killam, chairman of the Board, by reason of beneficial ownership of securities of the company is in a position to elect or cause to be elected a majority of the directors, it is stated.

Net income for the year ended Dec. 31, 1947, is shown in the prospectus as at $750,168. The annual preferred dividend requirements will total $290,000.

Agrologists To Incorporate

From Our Own Correspondent

WINNIPEG — A private bill to incorporate The Manitoba Institute of Agrologists will be introduced at the current session of the Legislature.

Petitions asking the incorporation say the Institute is to be empowered to supervise and control the practice of agrology which in summary is defined as follows:

1. The engaging for hire, gain or hope of reward, in investigation of, experimenting with, the teaching (vocational and university courses) or advising on application of scientific principles or practices relating to agricultural plants, farm forestry, fur bearing animals, poultry and bees, production of milk, improvement of lands, and livestock.

2. Economic surveys of agricultural industries, management of farms, use of machinery and equipment, and control of pests.

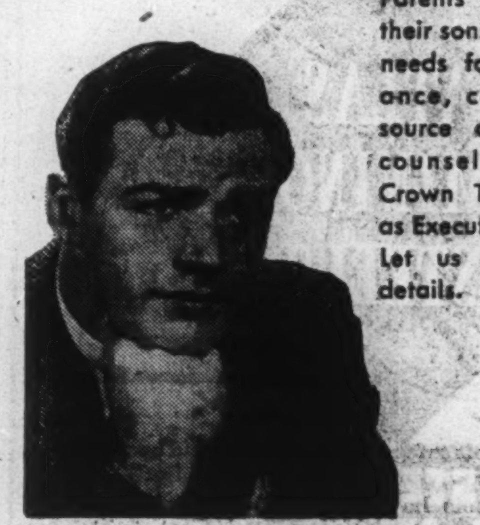
Power Rate Hearing Awaits 'Peg Consent

From Our Own Correspondent

WINNIPEG—No appointment has yet been given by the Municipal and Public Utility Board for hearing the recent application of the Winnipeg Electric Co. for an increase in rates; nor is it likely that one will be given until Winnipeg City Council files a consent to the application.

A provision in the Municipal and Public Utility Board Act specifies that in case of a contract between a municipality and the owner of a public utility made before the Act came into force, and still in effect, consent of the municipality must be obtained before any application for change of rates may be entertained. The Act came into effect January 1, 1928. This procedure was followed in 1930 when the company applied for an increase in rates.

"If I could only talk it over with Dad..."



Parents who anticipate their sons' or daughters' needs for future guidance, can provide a source of dependable counsel by choosing Crown Trust Company as Executor and Trustee. Let us give you the details.

Crown Trust Company
Executor and Trustee since 1897
MONTREAL — TORONTO
Brantford — London — Windsor — Winnipeg — Calgary

New Issue

$2,000,000

City of Vancouver

Serial Debentures

To be dated April 1, 1948 — To mature serially April 1, 1949–1973

Principal and half-yearly interest (April 1 and October 1) payable in lawful money of Canada in Vancouver. Victoria, Edmonton, Calgary, Winnipeg, Toronto, Montreal and Halifax at the holder's option. Coupon debentures in denomination of $1,000. Debentures may be registered as to principal only.

Legal opinion: Messrs. Daly, Thistle, Judson & McTaggart.

These debentures will be direct obligations of the City of Vancouver. The proceeds of this issue of debentures will be used for capital improvements including construction of roads, sewers and waterworks.

Schedule of Maturities and Prices

Amount	Maturity	Coupon	Price	Approximate Yield
$650,000	April 1, 1949–58	3¾%	SOLD	
80,000	April 1, 1959	3½%	100.00	3.50%
80,000	April 1, 1960	3½%	100.00	3.50%
80,000	April 1, 1961	3½%	99.75	3.52%
80,000	April 1, 1962	3½%	99.75	3.52%
80,000	April 1, 1963	3½%	99.50	3.54%
90,000	April 1, 1964	3½%	99.50	3.54%
90,000	April 1, 1965	3½%	99.25	3.56%
90,000	April 1, 1966	3½%	99.25	3.56%
90,000	April 1, 1967	3½%	99.00	3.57%
90,000	April 1, 1968	3½%	99.00	3.57%
500,000	April 1, 1969–73	3¾%	SOLD	

All prices are "and accrued interest"

We, as principals, offer these debentures if, as and when issued and accepted by us, and subject to the approval of Counsel.

Subscriptions for these debentures will be received subject to rejection or allotment.

It is expected that definitive debentures will be available for delivery on or about April 15, 1948.

Particulars of the debenture debt and other financial statistics of the City of Vancouver are set out in the offering circular, a copy of which is available upon request.

A. E. Ames & Co.
Limited

Dominion Securities Corpn. Limited — **Wood, Gundy & Company** Limited

THE FAMOUS

GOODYEAR

DeLuxe

Now improved to give you

34% MORE MILEAGE

at no extra cost

It's a POSTWAR TIRE AT PREWAR PRICES

NOW—Canada's most popular tire—Goodyear's famous DeLuxe—has been improved to deliver *34% more mileage* . . . yet it sells today at *less than pre-war prices.*

Millions of rugged road-test miles have proved that this new DeLuxe averages 34% more miles than the world famous big-mileage Goodyear it replaces.

It's a tougher tire in every way! Huskier, more flexible shoulders mean greater strength, more even wear. A wider, flatter tread puts more rubber on the road to share the load and give you *extra* wear . . . to grip the road and give you *extra* sure-footed traction, at all times . . . regardless of road conditions. Stronger Supertwist cord makes the new DeLuxe tougher than ever . . . provides *extra* stamina and *extra* protection against blowouts.

Enjoy DeLuxe tire performance on your car right now . . . drive into your Goodyear dealer for the greatest tire value ever offered.

GOODYEAR

MORE PEOPLE RIDE ON GOODYEAR TIRES THAN ON ANY OTHER KIND

THE WORK OF MERCY NEVER ENDS—*Give* TO THE RED CROSS

See
FAIRBANKS-MORSE

first
for
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TOOLS
Brown & Sharpe Micrometer Caliper

Precision tools safeguard accuracy—and accuracy means rapid and economical manufacture. Brown & Sharpe Tools have been used for more than three generations by skilled workmen; their high accuracy and fine qualities have won them universal popularity. As distributors of Brown & Sharpe Tools, we are in a position to supply calipers, cutters, end mills, gauges—in fact every kind of small tool, each one built to the highest standards of accuracy and precision. Call our nearest office for full information.

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For the product you make — to give it surface protection, eye-catching colour, added sales appeal. For your plant interior and machinery, we offer Murphy *Color Dynamics*, the new science of colour application that improves lighting, reduces accident hazard, cut absenteeism, boosts morale.
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look into it . . .
See how the shining surfaces reflect their fine machining. Notice the just proportions that reveal sound engineering in every part from stud bolt to labyrinth ring. Time, too, has justified these proportions and the materials incorporated. Babcock pumps are known for long, trouble-free service.
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LIMITED
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Alta. $53,349,553 Budget Has Deficit of $6,306,738

From Our Own Correspondent

EDMONTON—No tax increases and no increases in the public debt are contained in Alberta's record-breaking $53,349,553 budget, presented to the legislature by Premier E. C. Manning. In addition to this figure $4,926,000 is appropriated for operations of the Alberta Government Telephones.

The budget provides for a $6,306,738 deficit, which will be financed from accumulated surpluses. Last year, on a $47,002,734 budget, estimated deficit was $633,184.

A $2 monthly increase in old age pensions accounts largely for the estimated increased expenditures of $1,126,686 by the Public Welfare Department. Pensioners now will receive $37 monthly, as the province increases its supplementary payment from $5 to $7.

There is no provision for a general election vote, the appropriation being the same as last year, $3,000. Major estimated increases in revenue include $950,000 from petroleum and natural gas royalties.

Mr. Manning defended his Government's policy of increasing capital expenditure rather than increasing current expenditure, which might have to be curtailed when less buoyant financial conditions occur.

Federal Grants 34.5%

The Premier said 34.5% of the province's revenue is obtained from federal grants under the interim tax transfer agreement, 20% comes from liquor profits and 24.5% from motor vehicle licenses and gasoline taxes.

"We have provided for greatly increased capital expenditures for highways and roads, and for public buildings and institutions, without resorting to borrowing" he declared. "At the same time we have succeeded in reducing the public debt of the province by approximately $40 millions in 12 years."

Public works department estimated expenditure is $19,812,476 for capital and income accounts. The sum of $8,800,000 for main highways new construction is the same as last year.

Special grants amounting to $320,000 for a teachers' retirement pension without any additional financial burden on municipalities, were disclosed. Expenditures on income account by the department of education are $8,546,302, up $1,173,188 from last year.

Public health expenditures of $5,987,174 will be $974,039 above 1947; agriculture $1,245,814, up $356,201.

New Public Buildings

The province has appropriated $4,131,460 for at least 24 new buildings. These include $500,000 for a tuberculosis hospital, $637,000 for agricultural buildings, $1,369,800 for University of Alberta buildings, $316,660 for the University hospital, $562,100 for provincial mental hospitals, institutions, sanatoriums and homes, $293,000 for provincial buildings and about $300,000 for treasury branches, storage and repair shops and legislative buildings.

Liquor profits are estimated at $9 millions, $1 million higher than last year's estimate. Earnings and profits of $1,012,000 are estimated from the 44 provincial government treasury branches, an increase of $112,000 over 1947 estimate.

Revenue from the Dominion is estimated at $15,618,040 ($17,266,155 last year). In this connection the premier said, "We expect to receive $1 million more than our estimate for the current year in respect of the 1947 Dominion-provincial tax agreement. This is due to an increase in the gross national production reported by Ottawa for 1946, and a further increase estimated for 1947. Our statutory subsidies will increase over $200,000 as a result of increased population. Furthermore, we will receive from the Dominion as our share of income tax levied against public utility corporations in the province an amount estimated at $400,000."

Total revenue on income account for 1948-49 is estimated at $45,230,595, an increase of $1,001,970; receipts on capital account $1,812,220, a decrease of $400,705. Expenditure on income account is estimated at $36,458,178 an increase of $3,748,512; on capital account at $16,891,375, an increase of $2,598,307.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

MASSEY HARRIS CO. net profit for the year ended Nov. 30, 1947, was up sharply at $4,084,067 ($2,125,570 the previous year). Sales of $83,834,104 were four times the 1939 total and up sharply from previous year's $70,083,767. Sales of farm implements and parts represented a gain of $17,888,191. Increased demand for company's products was experienced in all agricultural countries and a greater increase in volume would have been achieved but for continuing difficulties in obtaining materials, President Jas. S. Duncan states.

"The great demand for agricultural machinery still continues throughout the world and the company's factories, barring unforeseen circumstances, will be taxed to capacity to provide the largest production ever undertaken," he adds. "Securing of the necessary materials and component parts to meet production schedules still constitutes one of our greatest problems, but improvement in these conditions is anticipated."

There is also some anxiety because of inability of some of the large importing countries to provide dollar exchange to implement their orders, it is stated. This situation would be greatly alleviated if approval were given to the Marshall Plan.

Greater percentage of the net profit is derived from increased production of the company's U. S. and British plants and its sales in countries outside Canada, Mr. Duncan states. The 1947 profit, which represents 4⅞c on each sales dollar, includes dividends of $96,808 received from subsidiaries in Continental Europe, assets and earnings of which have not been consolidated in the annual statement.

CONSOLIDATED INCOME ACCOUNT

Years Ended Nov. 30:	1947	1946
Net sales	$83,834,104	$70,083,767
Net earnings	10,422,280	6,354,124
Less: Deprec.	1,396,108	897,594
Int. on loans	20,898	55,738
Bond int.	524,707	433,222
Pension fund	256,500	242,000
•Invent. res.	......	350,000
Income taxes	4,140,000	2,250,000
Net profit	4,084,067	2,125,570
Less: Pref. divd.	334,877	372,135
Com. divd.	1,306,076	547,520
Surplus for year	2,443,114	1,205,915
Times Bond Interest Earned:		
Before deprec.	19.82	14.54
After deprec.	17.16	12.47
Earnings per Share and Dividend Record:		
Pref.: Earned	$15.84	$7.35
Paid	1.25	1.25
Common: Earned	3.19	1.58
Paid	1.12½	0.50

CONDENSED CONS. BALANCE SHEET

As at Nov. 30:	1947	1946
Cash & govt. secs.	$8,290,667	$10,173,110
Accts. rec.	3,444,495	3,606,006
Inventories	35,961,398	26,598,195
Total curr. assets	47,696,560	40,377,311
Prepaid chgs.‡	569,351	354,504
Invest. affil. cos.	2,021,084	1,795,200
Fixed assets*	12,804,962	9,567,810
Total assets	63,091,957	52,094,825
Bank loan	508,546	1,217,555
Accts. & tax. pay.	13,875,595	8,043,647
Divd. pay.	293,434	......
Total curr. liab.	14,677,575	9,261,202
Funded debt	17,708,000	15,000,000
Reserves	4,834,278	4,781,677
Capital stock	14,768,453	14,490,034
Capital surplus	2,206,207	2,206,207
Earned surplus•	8,897,444	6,355,705
*After depr. of	14,176,430	13,337,266
‡Incl. in curr. assets in co's. report.		
Working capital	33,018,985	31,116,109

R. L. CRAIN LTD. 1947 net profit was up sharply from the previous year at $74,338 (A net loss of $11,107 in 1946), with largest sales volume in company's history experienced. Expanded scope and volume of current operations has produced a need in the business for additional working capital. Directors are considering issuing the balance of the no-par-value common shares in the treasury. In the event of all or any part of the 40,000 unissued shares being issued, the proceeds will be used to reduce the company's current bank indebtedness, it is stated.

Expenditures on capital assets was substantial, the balance of the construction cost on new buildings totalling $131,475. Expenditures on new printing machinery and equipment amounted to $150,136.

While 1948 should see an increasing demand for company's products and services, unsettled world conditions could have an adverse effect, President R. L. Crain states. There is still a great potential market for company products, he added.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$262,042	$33,801
Less: Deprec.	89,541	35,205
Loan int. & disc.	33,006	9,419
Patent amort.	284	284
Prov. for taxes	64,873	......
Net profit	74,338	•11,107
Less: Com. divds.	24,000	24,000
Surplus for year	50,338	•35,107
•Loss or deficit.		
Earnings per Share and Dividend Record:		
Common	$1.24	d$0.19
Paid	0.40	0.40

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$8,649	$2,737
Accts. rec.	337,118	199,148
Tax recov.	......	19,570
Inventories	418,348	300,657
Total curr. assets	764,115	522,112
Misc. assets•	33,430	36,546
Fixed assets*	785,297	596,959
Total assets	1,582,842	1,155,617
Bank loan	205,000	238,000
Notes due	67,500	......
Accts., tax, etc., pay.	251,404	193,319
Total curr. liabs.	523,904	431,319
Funded debt	612,500	332,682
Capital stock	150,000	150,000
Earned surplus•	296,438	241,616
*After depr. of	363,326	276,958
•Incl. ref. EPT	19,104	19,104
Working capital	240,211	90,793

CANADIAN LOCOMOTIVE CO. 1947 net profit was off 36%. The company produced 48 locomotives and 14 extra locomotive boilers. Deliveries in the latter half of the year were curtailed due to delay of the railways in placing orders, and a shortage of material supplies. This condition has now improved, and the company looks forward to greater production in 1948, President Wm. Casey states.

As of Jan. 1, the company had on hand orders for 90 steam locomotives and 19 Diesel-electric locomotives, delivery of which was started in February.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net oper. profit	$1,577,245	$2,794,357
Less: Deprec.	139,930	129,830
Bond int.	......	10,034
Int. due War Assets.	7,180	7,180
Dom. & prov. tax	712,950	1,526,000
Add: Invest. prof.	......	1,493
Net profit†	717,185	1,122,806
Less: Divd.	319,128	159,564
Surplus for year	398,057	963,242

†Before deducting $100,000 in 1946, $46,200 in 1947, for special pension fund, $30,240 in 1946 for prem. on bonds redeemed and $200,000 in 1946, $100,000 in 1947, transfer to contingency reserve, which items deducted before taxes in co's. report.

Earnings per Share and Dividend Record:	1947	1946
Common	$4.49	$7.04
Paid	1.00+1.00	1.00

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$1,352,019	$1,216,669
Accts. rec.	74,531	868,476
Inventories	1,443,389	713,311
Total curr. assets	2,869,939	2,798,456
Misc. assets•	975,029	969,753
Fixed assets*	1,299,224	1,401,977
Total assets	5,144,192	5,170,186
Total curr. liab.	1,312,945	1,690,795
Conting. res.	500,000	400,000
Capital stock	977,141	977,141
Surplus•	2,354,106	2,102,250
*After depr. of	1,351,484	1,215,233
•Incl. ref. EPT	935,091	928,091
Working capital	1,556,994	1,107,661

New Rank Co. To Head Up Canadian Interests

Formation of a new company to co-ordinate the activities of various companies in the J. Arthur Rank group in Canada is announced.

It is known as the J. Arthur Rank Organization of Canada, Ltd., and Hon. J. Earl Lawson is president. Offices are at 2 King St. E., Toronto.

The new company will supervise matters of common interest and general policy for all Rank companies in Canada.

Canada's Best USE Canada's Best

The great expansion programme now under way in Canadian Industry will require refrigeration, air conditioning and "comfort-cooling" for offices and factories. Can we help you?

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EAST CREST OIL CO. Feb. 25 installment of 99,900 shares at 11 cents a share has not been exercised and agreement with Verona Rock Products has been terminated for default.

DISCOVERY YELLOWKNIFE MINES has received payment on 140,500 shares, part of underwriting on 165,000 shares at 50 cents a share. Issued capital is 3,375,289 shares.

BAND-ORE GOLD MINES has advised the Montreal Curb Market that E. G. Rogers failed to exercise his option on 50,000 shares at 10 cents due Feb. 5.

HOW TO DRESS UP a Catalogue

Many advertisers have given their catalogues that "Quality Look" by printing them on Thriftcoat Enamel . . . Provincial's new type of coated paper that sells at a price close to uncoated stock.

There is no substitute for coated paper and cost no longer makes the use of SC papers necessary. Thriftcoat Enamel, with its white, smooth coating, has economy plus fine appearance.

Provincial Paper Limited makes Thriftcoat Enamel in one streamlined, money-saving process . . . and passes saving on to you. You can use Thriftcoat Enamel with confidence, view the results with pride.

For quality reproduction of halftones on magazines, folders, booklets and catalogues too, ask your printer to use

Thriftcoat Enamel

PROVINCIAL PAPER LIMITED
TORONTO, ONTARIO

66%
JUMP IN ADVERTISING LINAGE SINCE 1943

WISE ADVERTISERS AND THEIR AGENCIES USE LE DROIT

The Iron Curtain of Labor

Here's a Diagnosis and Prescription For Ailing Industrial Relations

Management needs a new set of ears!

That's what the Truck Logger's Association of British Columbia was told in Vancouver the other day by Col. Walter Delong, public relations counsel, Weyherheuser Lumber Co., Tacoma, Wash.

Why? Because the Pied Pipers of labor have lowered an iron curtain of misunderstanding between workers and their employers and because employers have failed to do much of a constructive nature about tearing it down.

Following is a digest of his diagnosis of the aches and pains in the industrial body today and his prescription for easing them:

Private enterprisers have allowed themselves to be manoeuvred into a position where they appear to oppose all good life. Businessmen seem to be afraid to display their good motives for fear they will be making a promise. Business management simply has not marshalled its facts and put them in simple form before the public. Business has hesitated to put its best foot forward. Business has been on the defensive. Business has committed the unpardonable sin of apologizing for making profits. Businessmen themselves have failed to present and define the profit system. They have failed to call it what it really is—the free enterprise of profit and loss.

The free enterprise system is never going to be understood by the masses until the facts are presented in simple understandable language.

Businessmen must re-establish employee confidence in the integrity and capacity of business and industry. This is the time for direct action and forthright leadership. An opportunity, if muffed, may never return. Unless management is successful in interpreting itself, its policies and the reasons behind its ways of doing business, the battle will be lost.

Stop Pussyfooting

This is the time for plain talk between employers and employees. Business must tell its story. Each individual company must tell of its own activities. We must look this labor-management problem squarely in the face, for it is the key to our economic and political diffieulties. We must stop pussyfooting. If we are to have labor-management harmony we must develop a genuine partnership between management and worker. In this partnership there must be two-way understanding.

We must work out new fundamental approaches and policies.

In talking about this partnership we must first talk about leadership. We all agree that there are good and bad employers as well as good and bad labor leaders.

Pied Pipers of labor are leading their members to their own destruction because of their tendencies toward a Communistic state. These leaders have developed the technique of dropping an iron curtain between the employees and the management.

This isn't done because loyalty to the company would be bad for employees, but because free intercourse would give management an opportunity to expose the false doctrines, tricks and misleading information used.

This organized propaganda goes on behind the iron curtain against all management, good or bad, and against our free enterprise system.

Management has everything to gain from an improvement in industrial relations; very little to lose. The standard reaction of any employer who realizes his workers do not understand what management and business are all about is to rush into print and flood the workers with publicity handouts of one sort or another, ranging all the way from plant papers to simplified texts in economics. No wonder that the results are extremely disappointing. In a recent survey, 93 out of every 100 personnel men in big corporations agreed that the workers do not even look at these handouts.

Must Understand Workers

The first job management has to do is to acknowledge the fact that it does not know how the worker sees things from his angle of vision—that it does not understand how the worker acts or reacts and that it is management's job to find out.

This requires special channels of communication. One of the most experienced labor arbitrators in the United States estimates that more than two thirds of all grievances would never arise if management only knew in advance what is likely to be the worker's reaction to a move, or what in the way of working conditions is important to him.

What management needs is a periscope to bring the worker's field of vision to his own eyes or, to use a more accurate figure of speech, management must grow a new set of ears; for what causes the trouble is that primarily management does not listen and does not know how to listen.

Only when management becomes willing to do something about its own ignorance, when it becomes willing to admit the fallacy of its own preconvinced notion that labor is a commodity, can we expect real improvement; for only then will management become willing and able to tackle the other difficulties which stand in the way of worker-management partnership.

The greatest long-term threat to our political and economic system is the worker's inability to understand management functions and his opposition to increased efficiency and to profits. Worker opposition to increased efficiency has not so far been a major problem in this country, but worker opposition to profits and worker ignorance both of the size of profits and of their functions is a real danger. The problem is thus to give the worker an understanding of the nature and the importance of increased productive efficiency and of profits. One of the best ways would be to show him profit in relation to his wage and his output.

The worker has a real interest in the plant in which he is employed and of which, as a rule, he knows almost nothing. He is interested in its organization, its policies, its history, its financial status, its markets. In short, in pretty nearly everything that goes on. He desires understanding—understanding will make him a better employee.

Here Are Two Answers

This can be achieved. Here are two of the most satisfactory approaches:

1. Hold employee forums where plant managers and other executives could answer whatever questions the workers might have about the company's policies, plans, activities, finances, organization and products.

2. Hold small group meetings, starting first with the supervisory personnel. These should not be larger than 20 men because you want them to be on an informal basis, so that employees can let their hair down and really get matters off their chest

The conference leader should be the only top management man present. This makes supervisors or employees feel free to speak out. After the entire supervisory staff have attended, then the conference leader should call in groups of key employees, leaders of thought from the various departments of the company.

Generally speaking, these should be employees who own their own homes; married men with families; men who have been with the organization for some time and have demonstrated natural leadership in their departments.

What should be discussed at these meetings? Operating policies, safety programs, health contracts, how the sales dollar is divided, home-made economics, capitalism, stocks and bonds, insurance, purchasing power, the relation of wages to prices and profits; how competition controls profits; that the customer is boss; that we can price ourselves out of the market and out of our jobs; how production regulates prices, wages and dividends; what inflation really is and its economic danger; the national debt; taxes and how poor Government affects us all; that management's responsibility is to keep the demands of customers, employees and owners in balance, thus preserving a sound and profitable enterprise.

The results of these meetings will astound you.

By lifting the iron curtain between employer and employee, by understanding of each other's problems, by putting labor management relations on a partnership basis we can bring industrial peace such as we have never had before.

But first, we must quit quarrelling. We will improve our homes, improve our incomes, improve our schools, factories and stores only if we do not hi-jack each other or fall for this hocus-pocus economic philosophy—that the country owes us a living whether we work for it or not.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

PRICE BROS. & CO. 1947 net profit was up 27%. Net earnings at $14,380,055 were up from previous year's $13,283,313. An amount of $1 million has been set aside out of profits and added to the reserve for contingencies. Working capital position at year end was up $3,801,169, at $19,013,999.

CONSOL. INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$14,380,055	$13,283,313
Less: Deprec.	1,789,000	1,645,000
Depletion	387,000	501,000
Int. on bonds	310,158	439,129
Income tax	5,775,000	5,882,000
Net profit	6,118,897	4,816,184
Less: Pref. divds.	200,000	256,069
Com. divds.	1,643,571	821,785
Cont. res.	1,000,000	500,000
Surplus for year	3,275,326	3,238,330
Times Bond Interest Earned:		
Before depr., depl.	46.36	30.25
After depr., depl.	36.12	25.36
Earnings per Share and Dividend Record:		
Preferred	$122.38	$96.32
Paid (new)	4.00	2.00
Paid (old)	....	2.78014
Common	10.80	8.32
Paid	3.00	1.50

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$394,893	$884,984
Accts. rec.	4,490,741	3,900,930
Secs. mkt. val.	2,197,327	3,247,309
Inventories	19,872,246	12,822,713
Total curr. assets	26,955,207	20,855,936
Misc. assets▲	2,669,334	2,489,759
Fixed assets*	36,328,347	36,278,950
Total assets	65,952,888	59,624,645
Bank loan	310,000	......
Accts. & tax. pay.	7,505,926	5,516,470
Other curr. liab.	125,282	126,636
Total curr. liab.	7,941,208	5,643,106
Contingency res.	1,500,000	500,000
Funded debt	9,335,000	9,835,000
Capital stock	26,803,780	26,803,780
Capital surplus	10,578,369	10,323,553
Earned surplus▲	9,794,531	6,519,206
*After depr. & depl. of	37,106,027	35,542,041
▲Incl. ref. EPT	952,267	952,267
Working capital	19,013,999	15,212,830

PRESSED METALS OF AMERICA 1947 net profit was up sharply at $965,473 ($221,125 the previous year). The improved position is mainly due to the installation of additional production facilities provided during the years 1946 and 1947 at a cost of $320,262 for 1946 and $776,552 for 1947. An additional $1 million is going to be required to complete the expansion program. A 5-year bank loan of $600,000 was made Oct. 1, 1947, for this purpose.

It has been decided to pay a stock dividend on the basis of one share of stock for each 20 shares held and to issue scrip certificates where less than 20 shares are held.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Gross sales	$9,649,098	$5,273,856
Total oper inc.	1,750,406	513,368
Less: Deprec.	182,061	153,681
Res. for taxes	602,872	138,562
Net profit	965,473	221,125
Less: Com. divds.	134,285	......
Surplus for year	831,188	221,125
Earnings per Share and Dividend Record:		
Earned	$3.59	$0.82
Paid	0.50	....

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$572,979	$132,576
Accts. rec.	1,029,943	530,383
Inventories	1,308,372	867,836
Total curr. assets	2,911,294	1,530,795
Life ins., c.s.v.	94,360	†
Prep. ins., etc.§	17,942	9,795
Inv. in Acorn Prod.	359,645	131,687
Mkt. secs., less res.	4,000	4,000
Misc. assets	20,107	20,738
Fixed assets*	1,937,402	1,298,088
Total assets	5,344,750	2,995,103
Bank loan	120,000	......
Accts., tax., etc., pay.	1,122,066	......
Total curr. liab.	1,242,066	369,689
Bank loan	480,000	......
Adjust. & extens. res.	600,000	400,000
Capital stock	268,570	268,570
Capital surplus	921,567	921,567
Earned surplus	1,832,547	1,035,277
*After depr. of	1,478,921	1,341,683
§Incl. in curr. assets in co's. report.		
†Not previously recorded on books.		
Working capital	1,669,228	1,161,106

LEXINDIN GOLD MINES "Leta" group of claims in Yellowknife district warrant further development and new financing will be undertaken when conditions are more favorable, President K. J. Springer states in 1947 annual report. A total of 18 holes were drilled in 1947 to explore the No. 1 vein at various depths to 400 ft. over a length of 500 ft. south of the fault. Sixteen of the holes cut vein material comprising 60% mottled sugary quartz containing pyrite, pyrrhotite, chalcopyrite, coarse arsenopyrite and some fine visible gold. Current assets were $118 and liabilities $2,734 at Dec. 31.

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Made in Canada by
DOMINION TEXTILE
COMPANY LIMITED

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Wire Wheels and Industrial Brushes
MADE IN CANADA

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Our fully illustrated catalogue No. WW-47 describing all types of Wire Wheels and Industrial Brushes mailed free on request.

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CANADIAN HANSON & VAN WINKLE CO. LIMITED
Manufacturers of Electro Plating and Polishing Equipment and Supplies
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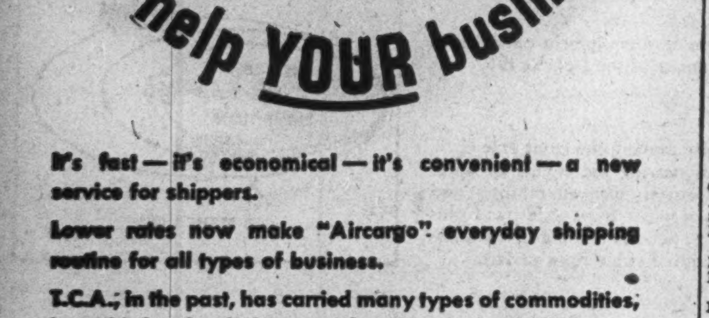

It's fast — it's economical — it's convenient — a new service for shippers.

Lower rates now make "Aircargo" everyday shipping routine for all types of business.

T.C.A., in the past, has carried many types of commodities, but chiefly the lighter articles. Now, the bulkier and heavier goods will go aloft too by "Aircargo".

Ask for quick-reference tariff and full information.

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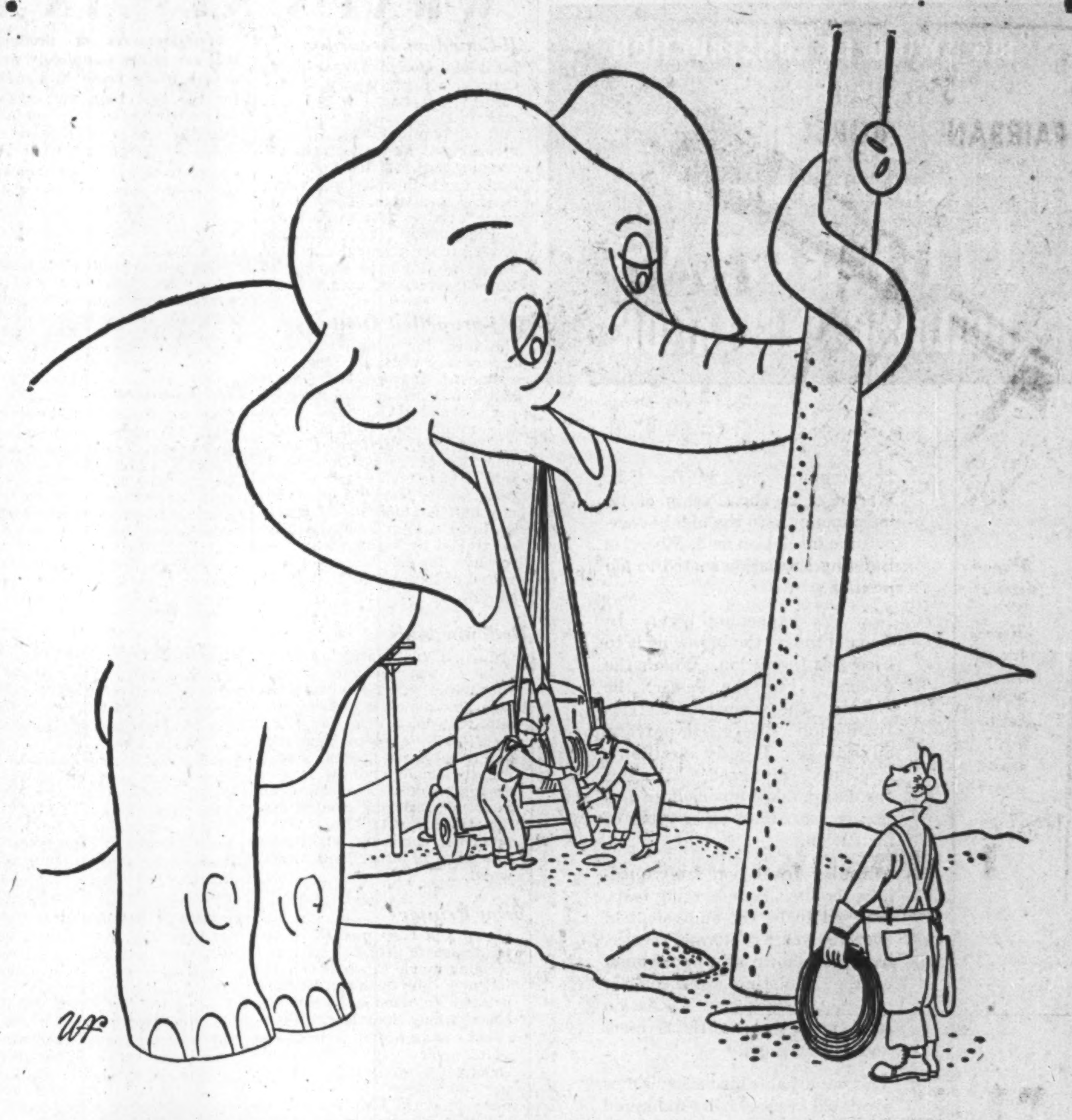


IT'S FANTASTIC the quantity of overhead and underground material required to meet the daily growing demand for telephone service. The gathering of a thousand and one kinds of hardware, insulators, crossarms, poles, guy material, fibre conduit and tools, and supplying these when and where required, is a mammoth job at Northern Electric, Canada's largest supplier of Telephone Equipment and Supplies.

20-8-8

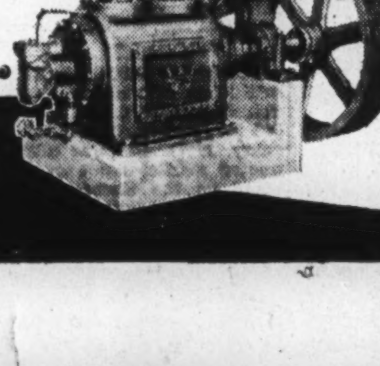
ICE RINKS
FOR SKATING, HOCKEY, CURLING
Complete Installations for All Types of Refrigeration
MADE IN CANADA

Your Canadian dollars will buy the finest type of Rink or Refrigeration installation to be found anywhere. Inglis is building the well-known Worthington line in Canada. Worthington Refrigeration Compressors and associated products and designs are acknowledged by Refrigeration men as unsurpassed. A contract placed with Inglis offers the buyer the undivided responsibility of one manufacturer from start to finish. Municipalities considering such installations can avoid many difficulties by contacting Inglis in the early planning stages. Our Refrigeration Engineers will gladly assist you now.

Inglis, engineers and erects Refrigerating Systems for every application—Hockey, Skating and Curling Rinks — Dairies and Ice Cream Plants — Breweries — Meat Packing — Food Storage-Locker Plants — Hotels — Oil Refineries — Fur Storage — and also Air Conditioning for Theatres, Restaurants, Stores, Offices and all Industrial purposes.

ASSIST CANADA TO CONSERVE U. S. DOLLARS BY BUYING MADE-IN-CANADA PRODUCTS

MANUFACTURERS OF:— Pumps • Compressors • Boilers • Tanks • Pressure Vessels • Mine Cars • Jaw Crushers • Rock Drills Paper-Making Machines • Heat Exchangers • Refrigeration and Air-Conditioning • Marine Boilers, Engines, Turbines and Auxiliaries • City and Industrial Gas Plants • Steam Power Plant Equipment.



REFRIGERATION COMPRESSORS
Available for Immediate Delivery
To minimize delay in meeting present needs in Canada, Inglis has manufactured an adequate stock of Worthington Ammonia Compressors. Equipment for every type of Refrigeration is available including Freon, CO_2, and Centrifugal from ¼ HP to 2,000 Tons capacity.

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BIG SWING IN CONSTRUCTION
BP
DEALERS
report big gains in
FIBERGLAS*
BUILDING INSULATION

*TRADE MARK REGISTERED

IT HAPPENED first in the U.S. Within eight short years of its introduction into the highly-competitive insulation field, Fiberglas Building Insulation soared to *top position.*

Now it's happening here. In Canada today, the big swing is to Fiberglas Insulation. What's the reason? For the dealer, the builder, the owner, Fiberglas Insulation offers important advantages. Highly resilient, efficiently packaged, Fiberglas Insulation takes up *one-third less storage space* than other types of insulation.

Fiberglas Insulation truly *insulates for life.* Severe aging tests, believed to be the equivalent of over 150 years of normal service, have not shown any impairment of the insulating value of the material. Fiberglas Insulation won't burn, rot or settle; is insect and vermin proof.

This remarkable insulation is now available in practically unlimited quantities through branches, warehouses and depots of Building Products Limited, located throughout Canada. If you wish to know more about Fiberglas, the "insulation of tomorrow", please write for factual literature.

BUILDING PRODUCTS LIMITED
SAINT JOHN, N.B. HALIFAX MONTREAL TORONTO HAMILTON WINNIPEG
ROOFING • SIDING • INSULATION • FLOORING
BP

WHAT'S NEW IN BUSINESS

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

All-Canadian Recorder

Built and designed entirely in Canada, a magnetic paper tape recorder/playback which, makers claim, carries sufficient tape for 33 minutes high-fidelity recording at frequency response ranging between 100 and 5,000 cycle for both voice and music is now available. The "Benovoice," weighs less than 33 lb., can be quickly set up. Clear cut erase prepares tape for instant reuse; no limit to number of times tape can be used.

• • •

Self-propelled Drill

Designed for open-pit mining and quarry work, self-propelled rock drill, Quarrymaster (Ingersoll-Rand) has its own air compressor and drills holes up to 6 in. in diameter, 70 ft. in depth. Air-operated, it strikes more than 200 blows per minute, is said to have high degree of rock penetration. Mounted on crawlers, unit can operate on grades up to 30%. Four independently-controlled hydraulic jacks level machine for drill work; tower is raised or lowered by feed motor power.

• • •

Radiator Aids

Canadian manufacturers enter field of auto radiator service specialities with three new products. One dissolves grease, scum and rust in a one-hour treatment, without damaging hose and metal parts; another is sealing compound claimed to stop up any leak on contacting air as it trickles from cooling system; third is rust inhibitor which prevents corrosion and scale formation in either hard or soft water.

• • •

Film Printer

Cheap and easy method of obtaining extra prints of sales and training movie shorts is claimed for new film printer. Machine prints both black and white and color films, handling 16-mm. silent and sound reels; has switch-over device for processing 8-mm. runs. Loading magazine is only job done in dark. Lighting can be changed by system of preset controls. Printer works from 1/50-hp. motor, prints up to 2,000 ft. an hour.

• • •

Bulletproof Jacket

Glass-cloth jacket, weighing six pounds and said to be bullet-resistant is now available to hunters, guards and police; was developed for war use of U. S. Marine Corps.

• • •

Rolls on Paint

Plastic and nylon combine in latest painting tool. Pint of paint can be poured into poly-ethylene plastic tool; as it leaks through sievelike holes, it saturates a close-fitting nylon roller cover. Paint is then "rolled" on to wall or ceiling. Makers say half the average sized wall may be painted at one filling. Nylon cover is removable and may be washed and used many times.

• • •

Tire Changer

Compact device enables service staff to remove tires quickly and easily. Truck and aircraft tires up to 56 in. in diameter can be mounted and demounted on both demountable flange and drop-centre wheels, and special attachments handle tires up to 72 in. Makers claim that two average operators can remove or mount large tire in about eight minutes, safely and without injuring tires or wheels.

• • •

Plastic Screw Anchors

Claimed to have withstood an average pull of 2,194 lb. when working in conjunction with a No. 20 screw and of 874 lb. with a No. 10 screw, plastic screw anchors which can be cut to any length are being marketed in plastic assortment containers. Makers say anchors are immune to age, corrosion and rot, have good electrical characteristics and can be used without special tools.

• • •

Cream Whipper

Makers say that Cream King Whipper will make 1½ pints whipped cream in a moment from half-pint bottle of light or heavy dairy cream. Whipper is filled, top put on, a charger of whipping gas inserted and the bottle shaken. The whipped cream is available for immediate use, or it can be stored in the refrigerator for decorating cakes, desserts, etc.

• • •

Lens Savers

War-born silicones have been put to a civilian job. Sight savers, tissues treated with silicone, when wiped over lenses of safety glasses, cameras or spectacles leave film of liquid silicone which protects lenses against soiling and helps prevent scratching of surface, makers say. Tissues are supplied for industrial use in rolls 2¾ in. wide.

• • •

Stainless Percolator

A stainless steel coffee percolator which, according to makers, will remain shining for many years, is now being marketed.

• • •

Insecticide Paint

New type water-thinned wall paint with DDT serves double purpose of decoration and insect inhibitor. Said to have proved effective in controlling flies and mosquitoes, Hylite, comes in 5-lb. containers and has a range of eight pastel tints and white.

• • •

New Look Concrete

Concrete building blocks in any color or color combination in 50 different designs can be manufactured on mass-production lines. Colors and designs, says inventor of the process, are incorporated in the concrete itself and can be manufactured to sell at approximately twice cost of standard concrete blocks.

• • •

Removes Coatings

Bakelite and synthetic resin finishes as well as paint, varnish, shellac and lacquer, can be removed with new Canadian product, "Strypeeze," semipaste which does not drip, run or spatter, will remain moist for 48 hours. Makers claim if used according to directions, even baked enamel surfaces can be removed, and it contains no ingredients harmful to hands or clothing.

• • •

Lawn Sprinkler

Built to spray 6 gal. water per minute over 36-ft. circle at 30 lb., sill cock pressure, revolving lawn sprinkler has been designed to swirl water so that it will fall evenly on grass. Makers' specifications list these points: polished brass arms, free-running bronze bearings, colorful base.

COMPANY REPORT

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

EDDY PAPER CO. 1947 net profit at $564,757 compared with $249,267 for the seven-month period June 1 to Dec. 31, 1946. All production units were operated at the maximum attainable throughout 1947 and records were established in a number of departments. Demand exceeded production by a considerable margin, and efforts are continuing with a view to further expansion of production and to increased efficiency, President G. Gordon Gale states.

The company spent $1,344,658 on capital account for expansion of pulp production, improvement in quality, cost reduction and replacements. Directors are arranging for sale of bonds to reimburse the company in part for capital expenditures.

Level of production and sales is high, and continued shortages of consumer goods at home and abroad promise a continuation of these activities, it is stated.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$2,230,232	$1,260,891
Less: Deprec. & depl.	891,449	486,498
Bond interest	140,000	71,232
Pension fund	150,000	......
Income taxes	473,000	295,000
Tr. agents exp.	11,026	8,197
Prof. pr. to acquisition by parent co.	......	150,697
Net profit	564,757	a249,267
Less: Cl. A divds.	200,000	100,000
Surplus	364,757	149,267

aFor 7 mos. period, June 1-Dec. 31, 1946.

Times Bond Interest Earned:		
Before deprec.	15.93	†9.01
After deprec.	9.56	†5.53

†Based on full year's requirement.

Earnings per Share and Dividend Record:		
Class A	$2.82	*$1.25
Paid	1.00	0.50
Common	1.82	*0.75

*Based on 7 mos. earnings; comparable figures based on year's earnings are $2.00 per sh. on Cl. A and $1.00 per sh. on com.

CONDENSED CONS. BALANCE SHEET

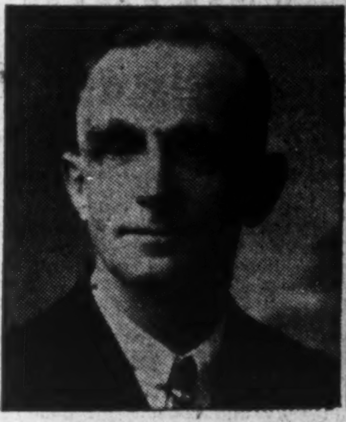
As at Dec. 31:	1947	1946
Cash	$120,949	$93,765
Accts. rec.	1,705,276	1,251,925
Inventories	7,734,087	5,814,741
Total curr. assets	9,560,312	7,160,431
Prep. exp.§	144,609	42,182
Def. charges	62,924	105,778
Mortgage rec.	36,000	44,000
Fixed assets‡	9,907,138	9,453,928
Total assets	19,710,983	16,806,319
Bank overdraft	440,121	302,635
Demand loan	2,805,000	1,065,000
Accts. & tax. pay.	1,786,783	1,276,728
Total curr. liab.	5,031,904	2,644,363
Fund. debt of subsid.	4,000,000	4,000,000
Invent. res.	584,514	517,341
Other res.	......	31,419
Capital stock	8,000,000	8,000,000
Capital surplus	1,577,070	1,463,929
Earned surplus	517,495	149,267

§Incl. in curr. assets in co's. report.

Working capital	4,528,408	4,516,068

TORONTO STOCK EXCHANGE call loans of member firms as of Feb. 28 totalled $31,061,686 ($32,563,742 in January, $32,572,213 in February, 1947). Ratio of call loans to quoted market value of all stocks listed on the Exchange, at .46 of 1%, was unchanged from a month ago, compared with .44 of 1% in February a year ago.

WAWANESA MANAGEMENT CHANGES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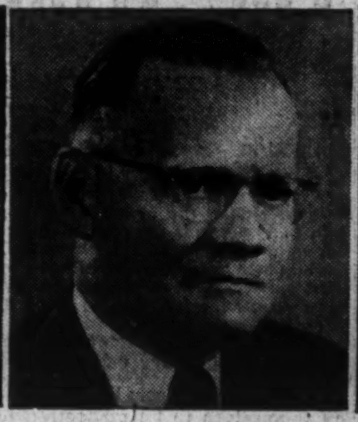
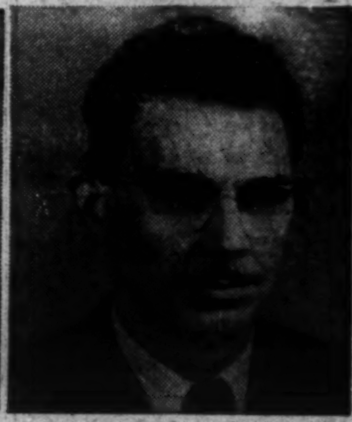

M. C. HOLDEN


ERIC PEAKE

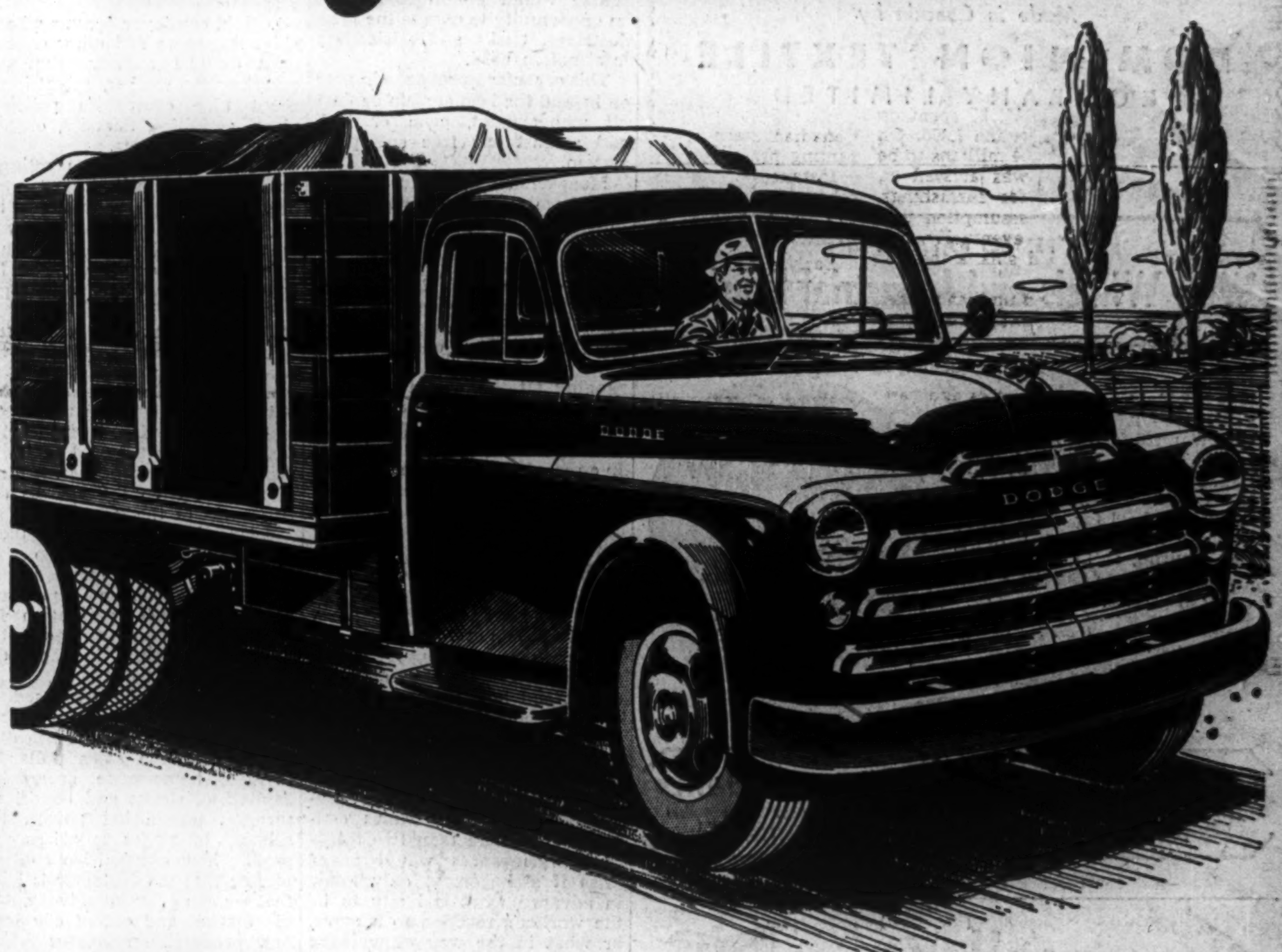
After faithful service to members of The Wawanesa Mutual Insurance Company since 1924—19 years as Assistant Manager and then as Managing Director for over four years — H. E. Hemmons has retired. The Directors have selected as General Manager M. C. Holden, whose connection with the Company dates back to 1933. He was born at Rachine, Wisconsin, in the early years of the century, but came to Canada as a boy and was educated in Public and High Schools at Boissevain, Manitoba. After two years in University he taught school 1922 to 1930 in which year he decided to engage in the insurance business. For three years he was Wawanesa Agent in Winnipeg. In 1933 he became Manager of the Winnipeg Branch Office. In 1936 he was sent to Vancouver as Branch Manager in the Pacific Province. With this equipment he now assumes the higher office of General Manager at Head Office, Wawanesa, Manitoba. Succeeding him in the Vancouver Branch is Eric Peake, a native of the far western metropolis, who has been connected with insurance since 1928 and who has been Wawanesa Underwriter since 1935.

KELWREN GOLD MINES extended its shaft 155 to 475 ft. in 1947, completed 700 ft. of lateral work on the 300 and 450-ft. levels of which upward of 30% was in ore of a grade slightly better than $9. A length of ore of 190 ft. is reported at the 450-ft. level averaging 0.27 oz. cut grade across an average width between 10 and 11 ft.

President D. G. H. Wright states that as the habits of the ore are more fully understood, there is reason to anticipate a material increase in percentage of lateral work in ore during the ensuing year. Ore intersections in surface drilling were returned in three sections of the property which are to be explored underground.

Balance sheet as at Dec. 31, 1947, shows $27,247 of current assets exclusive of $9,826 of supplies, compared with $14,374 of current liabilities. A total of 3,230,005 shares were shown as outstanding. A total of 220,000 shares were under subscription at 32½ to 35 cents per share and options were also outstanding on 549,995 shares at 50 to 75 cents a share.

much that's NEW... and "Job-Rated," too!

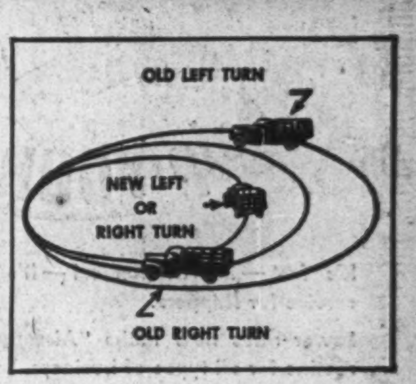


1 MORE COMFORT—The new cabs for 1948 are an answer to the many driver requests for a truly comfortable cab. These new cabs are higher, wider and longer, and fully weatherproofed. Clear floor space makes it easy to get in and out. Luxury-padded chair-high seats are fully adjustable for position and back support.

2 MORE SAFETY—Note the tremendously increased vision of the new Dodge cabs. Windshields and windows are much higher and wider and the rear window is longer. New, improved brakes have approximately 20 per cent. greater braking area to give sure, safe stops.

3 MORE SAFETY, MORE COMFORT—Whether the thermometer is 30 below or 100 above—you can be comfortable. That's because of the availability of an ingenious combination of fresh air intake and a newly designed hot-water truck heater with a powerful fan and defroster tubes.

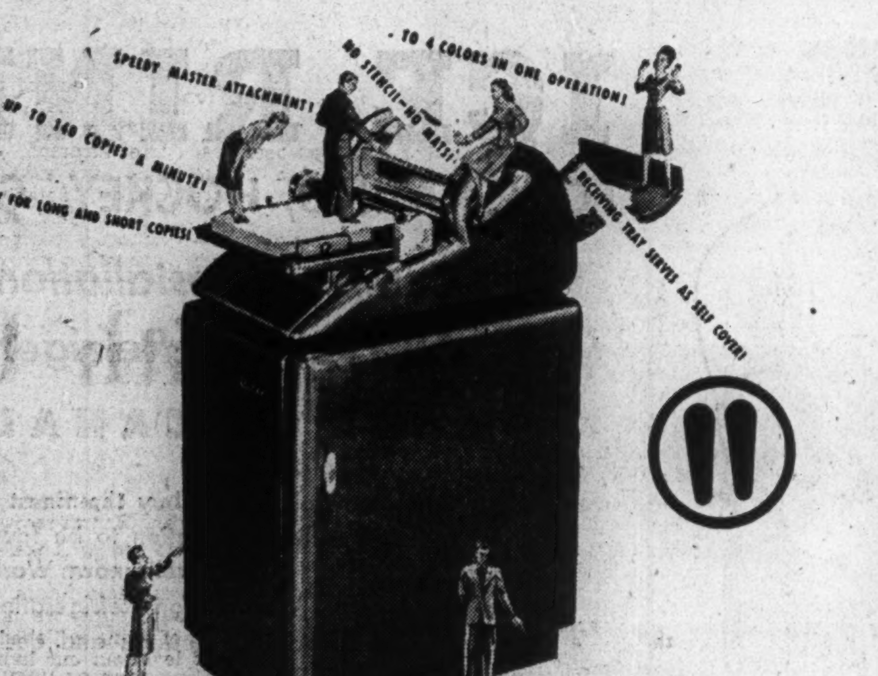
A cowl ventilator is standard equipment on all cabs, and vent windows are a feature of the DeLuxe cab.



4 EASIER HANDLING — By moving the front axle back, under the frame, and moving the engine forward, Dodge has greatly improved manoeuvrability and weight distribution. Also, a wider front axle tread plus a new type of cross steering permits turning in a smaller diameter—in the same reduced circle right or left.

5 AND YOUR NEW DODGE TRUCK WILL BE "JOB-RATED", TOO—Every Unit of your truck ... from engine to rear axle ... will be "Job-Rated" for economy, dependability, performance, and long life. The wide range of chassis and body models are designed to provide a truck that will fit your job—whatever your requirements. Gross vehicle weights start at 4,200 lbs.

THE NEW 1948 DODGE Job-Rated TRUCKS



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The Financial Post

Vol. XLII | Publication Office: Toronto, March 20, 1948 | No. 12

What's an Immigrant Worth?

Here's Economic Score As 7000th Reaches Ont.

By CYRIL BASSETT

Economically speaking, what's a selected, steady-working immigrant worth to Canada?

This week, as the 7,000th Briton flew into Ontario under the province's plan, officials came up with an answer. The following are their estimates:

Each contributes to the economy, $4,365.69 a year in gross value of production; $1,695 a year in purchasing power.

The first 7,000, plus their families when they'd all arrived, would add to Ontario the equivalent of another Peterboro, or a city of 25,000 people and all that meant in money in circulation, industrial activity, added markets for goods and services.

Taking a searching look backward over the experiences of 3,200 of the 7,000 about whose affairs they knew intimately, these experts came to a cautious series of economic conclusions for the whole.

How the Dollars Add Up

In aggregate, the business picture these experts presented looked this way:

First there was the straight take from the mere movement of 7,000 Britons and their families: it would total around $1.4 millions to airlines, steamship and railway companies and other transportation agencies.

Then there was the productive worth of 7,000 steadily employed workers (based on the DBS formula for survey of production) $30.6 millions a year for 7,000 workers earning an average of $35 weekly.

Then, the purchasing power their wages and salaries represented: $11.9 millions a year after $875,000 had been paid out in taxes.

Of this $11.9 millions, landlords would collect $2.2 millions in rentals; $3.7 millions would go to food retailers; $1.5 millions to clothing stores; another $1.4 millions into home operating expenses; $774,000 to advancement and recreation; $352,00 to doctors and dentists, and $384,000 to insurance and savings; leaving a balance of $1.5 millions for capital expenditure, savings and investment.

And Homes to Live in

Finally there was the potential expenditure of setting up a self-owned home.

Taking into account that there is always a percentage who won't buy a roof over their heads an average figure of $5,000 spent on buying a home was struck for the 7,000. On this basis, an estimate of $13.4 millions to be invested in home-building was arrived at, plus another $8.4 millions for furnishings.

And there was the final assumption that 2,780 family heads would eventually buy cars into which they would sink a total of $4.2 millions.

All in all it could be added up that besides the continuing annual injection of $11.9 millions of spending power into the nation's economy, there was a potential injection of $26 millions to be spent on homes and cars. No attempt was made to assess other likely expenditures such as on radios, refrigerators, washing machines and other appliances not normally grouped under the heading of home furnishings.

Due account was taken of an average bank roll brought in by the new citizens. And an average initial expenditure on clothing was struck of $60 per adult, $30 per child.

The scheme is being continued as soon as a new air passage contract could be drawn up through TCA. Also, Alberta's Premier Manning having taken a good look at it was going to follow suit.

What About the Human Element?

But statistics, in themselves, never did tell a human story, couldn't answer the pertinent questions posed by any such mass migration as Premier Drew's plan represented.

To answer the questions, fill in the details, The Financial Post this week talked to employers who'd hired Mr. Drew's chosen Britons, to employment officers, to immigration officials and to some of the new citizens themselves.

The Post found, in general terms: the plan had hit its snags and these were being met as they arose; the new citizens were, by and large, satisfied and/or optimistic of future satisfaction, likewise employers; in short, the plan had been as successful as anyone had hoped, its success had confounded its detractors. But overshadowing all prospects that pleased was the cloud overhanging too many Canadian family futures: the housing famine.

How "the Plan" Worked

In detail how did the situation look, how had things been organized?

First announcement of the plan came from Premier Drew, June 20, last year. Up to that time 35,000 names had been entered in the registers of Ontario House in London for emigration to Ontario. The Premier's plan was to correlate this reservoir of labor to the urgent needs of Ontario industry and for that purpose an organization was set up to select immigrants according to qualifications and need for their services, and then speed their passage to Ontario.

At no time did the Government set out to do more than advise immigrants of openings available. No labor contracts were entered into, no guarantees of employment were given, and all immigrants were required to pay their own $265 for air passage.

An upper age limit of 40 was laid down (recently lowered to 35), single men were preferred and married men were required to leave their families behind until they had established themselves. They were given full warning of the acute housing shortage on their application forms.

The first flight under the plan arrived at Toronto, Aug. 3, 1947; and in that month 779 were flown in. By October the rate of intake was stepped up to 1,604 for that month, by February dropped to 373.

At all times the rate was controlled a month ahead according to the availability of employment as determined from returns to the National Employment Service with whom close co-operation has been maintained throughout.

Where have the 7,000 gone, what are they doing?

Ontario Government records show that 46% of the 6,537 who had arrived up to the end of February had located themselves outside Toronto. Only 68 had returned to Britain, 47 had gone to other provinces. Of 3,200 whose employment records are known, 39% went into manufacturing industries, 20% into commercial and clerical positions, 10% into service occupations, 8% into construction work, 7% into domestic work, 6% into the professions, 5% into agriculture, 3% into forestry, and 2% into mining.

Of the total number 2,749 were single men, 2,261 married men, 912 single women, 615 married women. The great majority—4,190 were under 30, another 2,218 were 30-40, and only 362 were over 40.

How are these Britishers fitting into the Ontario employment picture?

Because of careful preselection few have failed to make the grade. At the provincial immigration department officials say they have had fewer than 200 problem cases. There have been, however, many instances where men have had to swallow technical or professional pride and take jobs junior to those they were holding down "at home." These, mostly, quickly jump back to comparable positions to those they left in U. K. once they've proved their adaptability to Canadian methods and superior skill, warranting promotion.

Immigrant Box Score

Here's a breakdown of how 3,200 immigrants under the Drew Plan found jobs:

Employed in	Number	Approx. %
Agriculture	147	5%
Forestry	81	3%
Mining	62	2%
Manufacturing Industries	1,260	39%
Construction Work	258	8%
Trading & Clerical (this includes all forms of selling and clerical work)	634	20%
Services	317	10%
All Services: Transportation, Communication, Public Services, Tradesmen servicing the public		
Professional Group (Nurses, Engineers, Draftsmen, etc.)	218	6%
Domestic	223	7%
TOTAL	3,200	100

Instances of men in the 40's who could not thus adapt themselves have led the authorities to lower the upper age limit from 40 to 35.

Early experience in the scheme also showed that a number of technical and professional people came out with insufficient guidance as to requirements, practices and qualifications necessary in their fields in Ontario. Differences in British and Ontario systems of registration for nurses, for example, and gradings for technical positions were not fully understood.

To meet this situation later intending immigrants were given booklets in London written from information supplied by unions and qualified professional associations in Ontario.

Are British immigrants displacing Canadians in jobs?

Government officials, employment officers, employers were quick to deny this. The Ontario Government's immigration branch works in close co-operation with the National Employment service, from its reports decides what trades and professions can be admitted. In many cases an employer has had his request for certain workers on NES books for months without getting his requirements fulfilled—until the British immigrant comes along with the necessary qualifications. Unions, too, have co-operated in placing workers.

Ontario officials were emphatic that at no time has the Government allowed the scheme to be used for prearranged employment contracts. Nor did the Government ever offer any guarantee of employment to an immigrant. In some cases, however, an immigrant's friends or relatives may have used pull among employers in their own circle to secure employment.

General attitude among employers was that the British immigrant was assessed entirely according to his qualifications for any vacant job in just the same way a Canadian would be assessed. Mostly, in fact, the Britisher was at a disadvantage because of unfamiliarity with Canadian customs.

Which types of immigrants stand the best chance in the employment market?

Skilled technical workers have presented no problems; they are easily placed and more are wanted for jobs fetching from $1,800 to $6,500 a year—jobs which have been on the books for up to a year. Civil and mechanical engineers, mechanical and industrial draftsmen, tool and die makers, architects have been quickly snapped up.

As an example of the urgent need for the higher skills employment officials cite architectural draftsmen for lack of whom important projects have been held up. Several have been found among the Drew Britons and placed at $300 to $400 a month, filling a gap which has quickly created a demand for scores of workers for other jobs waiting family to join him.

On the other hand, sales executives are extremely difficult to place. British sales methods, it has been found, cannot be transplanted to the North American business soil. Business heads are reluctant to hire U. K. former executives even as travelling salesmen; they consider the English accent a drawback. Unskilled white collar workers are discouraged from trying their luck in Ontario. Bank workers, for example, are almost impossible to place.

Among women, secretarial types of good qualifications have been readily placed at salaries ranging from $35 to $45 a week. Women willing to work in living-in domestic situations whether in the home or in institutions are also easily placed. So are tailoresses. Many others have found jobs as waitresses and store sales clerks.

But apart from these qualifications single women are discouraged under the plan because their lack of special qualifications would force them into jobs which could not afford them living wages, living alone.

What are the chief problems immigrants face?

Housing, of course, is the big headache. Rooms present no difficulty and this type of accommodation becomes easier every day as Old Country people volunteer rooms for immigrants. The big trouble comes when a married man becomes satisfied that his employment problem is settled and wants the family to join him

It's part of the plan that he cannot send for the family until he can present to the Ontario immigration officials a written certificate from a landlord that accommodation is guaranteed or, proof of purchase of a house.

So far, 800 families out of an estimated 1,800 have arrived.

Then there are a number of personal problems. A wife may make her own way out, decides she doesn't like the city or town in which her husband is working and induces him to give up his job and go back. Or, looks at Toronto, likes it and won't move despite better job offerings for the man elsewhere.

Or, an immigrant may come out to friends and decide to settle in the same place regardless of the fact that it offers no jobs in his line. Then there is the problem of homesickness, or trouble back home, which accounted for a good many of the 68 who went back to Britain. Among the others were cases of sheer panic, such as a printer who fled back home when his employer, engaged in confidential work told him he'd have to post a $5,000 bond (he's later returned); and the plain cussed, such as an ex-seaman who decided Toronto was just one terrible place after spending one night in the city and promptly told everyone so from Premier Drew down (on his return he also told the British press harrowing stories of immigrants lying in the gutters of Toronto and begging cigarettes and cups of coffee).

What services does the Province offer the immigrant?

A streamlined system of getting through immigration red tape in London, Birmingham or Glasgow, a complete advisory service on employment possibilities before leaving and on arrival, a personal advisory bureau in Toronto, priority passages for his family once he's settled or for himself back to Britain in case of compassionate need.

But, the Government is anxious to point out, the immigrant is under no obligation to use these services, nor under any obligation to take any employment offered through the Government, nor does he have to stay in Ontario.

The province offers the immigrant every opportunity for him to advise its offices how he's getting along, will act in almost any capacity for him—if he so asks. But it does not set out to tie any strings to him of any kind.

Once he's landed at Toronto he can climb on the next plane to Vancouver if he wants.

And that's how it looks at the end of the first chapter of Ontario's immigration story.

Opening of the next chapter waits on TCA whose present contract—sublet in part to Trans Ocean Airlines — expires next month.

So far as the Ontario Government is concerned there's nothing in the economic picture to prevent the plan from going on. If and when danger signs do appear it will be stopped or stepped down, as in the last two months of industrial dislocation in Ontario.

We Get 10,000 British Cars

Doors to Canadian Market Opened by Dollar Shortage

By RONALD WILLIAMS

The British are coming . . . with cars.

Given a partial green light by Ottawa's dollar watchdogs, U. K. auto manufacturers are getting set to make their first real bid to break into the Canadian market.

Their dollar quota is $7.5 million. That will let them ship in about 7,000 cars which will be four times as many as ever before.

Austin is already shipping at the rate of 180 cars a month, hopes to step this up considerably by midsummer. One Austin dealer, Packard Toronto Motors, is ready to take 100 a month.

The first shipment of Morris cars since the $7.5 million U. K. quota was set, sailed March 3 on the S.S. Beaverlake. A second was due to leave this week.

But the first of Britain's really postwar cars with the new American look is not due here for two months. This is the Standard Vanguard. It looks like a small Kaiser-Fraser and is as wide as a Studebaker.

The only fly in the U. K. automotive ointment is the amount of the quota. It limits them to about 7,000 cars.

One Canadian representative of a British manufacturer told The Post his firm could sell that many alone. Demonstrated firm demand in Canada makes this $7.5 millions look pretty small, he said, adding that the quota will likely be exhausted long before the year is over.

To Get Supplementary Quota?

However, it is confidently expected that when the quota is exhausted (around midsummer) a supplementary quota will be set. This might enable the U. K. to sell as many as 10,000 cars here this year.

If so, they will take up a lot of the slack caused by the deep cut in imports of U. S. cars. Latest estimates indicate the net loss to the Canadian market may be as low as 15,000 cars.

This is after allowing for a loss of about 26,000 U. S. imports and gains of perhaps 10,000 in U. K. imports.

Besides filling in the supply gap, the U. K. auto invasion is a blessing in disguise for many dealers handling imported U. S. cars which have been now slowed down to a trickle.

Many have grabbed off dealerships in British cars to keep the wolf away from the door during the exchange crisis.

One Toronto dealer who landed an Austin dealership described his new line as a "lifesaver."

Others Look to Future

Others are taking on U. K. dealerships with an eye on the future. With the British accent on exports and the auto industry going out of its way to make cars for Canadian and U. S. consumption, they believe the British car is here to stay.

But even with the quota the way it is, it looks as though there will be more British cars imported into Canada this year than American. This will be a complete reversal of our automotive trade pattern.

Last year was typical. We imported 33,630 U. S. cars, the greatest number on record. U. K. imports also established a new record but trailed far behind with only 1,933.

This year, with the quota taking a deep bite into U. S. imports, this position will be reversed. This year, American manufacturers don't expect to ship any more than 5,000 or 6,000.

Quota Covers Industry

Another factor seen pointing to the possibility of extending this U. K. quota is this: unlike the U. S. arrangement by which each manufacturer gets a specific dollar allotment, the U. K. quota is for the whole industry.

"It's a case of first come first served and the devil take the hindmost," a spokesman for the U. K. industry told The Post. "If one firm can ship in enough cars, it could use up the whole $7.5 million itself. The others would be out of luck.

"I don't believe it was the intention of the Canadian Government to give one manufacturer that sort of advantage over another. If it wasn't, the only thing to do is extend the quota."

Originally the U. K. fully expected to sell 10,000 cars here in 1948. To do it, the major manufacturers came up with models specially designed and styled to appeal to Canadians and Americans.

Here is a car-by-car review:

Austin: In the race for the Canadian market, Austin has a big lead. Dealer franchises have been awarded in all the main cities while six parts depots are in the process of being established. As far as Austin is concerned, the old U. K. bugbear of poor parts service, doesn't hold true any longer.

Already Austin has bored deeply into the United States market. From its giant Longbridge Works near Birmingham, 2,000 cars have been shipped to the U. S. in the last few months.

These are not the prewar peewee Austins. They're larger, have bigger engines (40 hp) and most of the extras like heaters which Canadians have come to accept as standard equipment, besides having that "New Look."

Austin is concentrating on two models:

The Dorset, a two-door "saloon," $1,830 delivered in Toronto, including taxes, spare tire and license.

The Devon, a four-door "saloon" on the same chassis, with the same engine as the Dorset; $1,887 delivered in Toronto.

In addition, Austin will bring in a few custom built Sheerlines (around $5,000), but the main emphasis will be on the lower priced cars and trucks. The first shipment of five-ton trucks is due to arrive any day now.

All new Austin models have sweeping body styles, concealed running boards, built-in headlights and heavy duty tires. They give about 40 miles to the gallon and licenses (in Ontario) cost only $2.

Morris: The first shipment since the quota was established sailed on the S. S. Beaverlake, March 3. Another shipment is due to leave England this week. After being virtually out of the Canadian market for years, Morris is now going all out for Canadian business. Distributors have been appointed in Toronto, Montreal and Winnipeg. In Toronto four dealers have got franchises while others have been named in London, Niagara Falls, Windsor and Hamilton.

By April, Morris expects to be shipping 150 a month. The Ontario dealer alone expects to get 100 a month. The cars will be modified prewar models: The Eight (about 25 hp) will sell for around $1,650 in Toronto and the Ten (40 hp) for about $1,850.

On tap is a completely new Morris, designed specifically for North American consumption. Production is expected to get under way by midsummer.

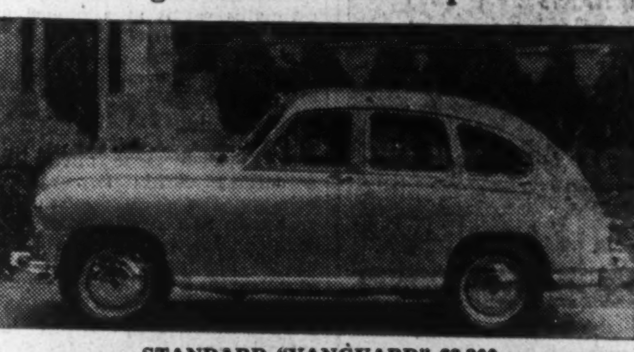
Standard: This company is the first U. K. firm with a real postwar car. Their Vanguard follows the U. S. "new look" as exemplified in the Studebaker and the Kaiser-Fraser. It is 5½ feet wide and 13½ feet long.

It has just everything you'll find on de luxe Canadian cars: adjustable front lift hood; gear lever on steering column; independent front wheel coil springing, lots of chrome, heater, dual windshield wipers, oversize hubcaps, big chrome bumpers, flush-fitting spring loaded door handles plus something Canadian cars haven't got—built-in wheel jacks.

So far, wherever it has been shown, the Vanguard has been a style sensation. Canadians will get their first look in about two months. The first shipment (about 200) is due sometime in May. The dealership system is already well under way. Until the new Standard Vanguard arrives, most dealers will continue selling the small prewar Standard. Some will also sell other British makes. The Vanguard will sell for around $2,200 in Toronto.

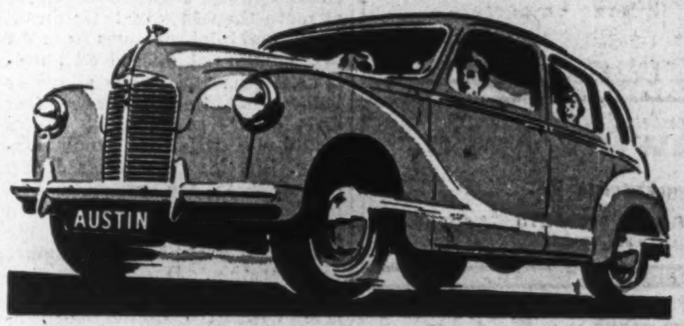
The plans of other U. K. automen for Canada are not known at the present time. Other makes like Triumph, Singer, Hillman, etc., have always had a limited market, notably on the West Coast. They still have to announce enlarged export programs for Canada.

The Big Three in British Export Autos



STANDARD "VANGUARD" $2,200

MORRIS "TEN" $1,850



AUSTIN "DORSET" $1,837

What Price Economic Union With U.S.

Would Canada be Swallowed Up in the Process?

By KENNETH R. WILSON

Into the presently troubled stream of Canada-U. S. trade relations, there has now been thrown the explosive issue of "Economic Union."

This week, Life magazine argued in uncompromising language for such a union.

Last week, a conference of the Canadian Institute of International Relations was told by Wynne Plumptre, assistant editor, Saturday Night, that customs union leads inevitably to political union, or rather annexation. ("Custom union" seems to be the kind of union which Life has in mind.)

Several times in Canadian history, the threat, fear or prospect of annexation with United States has flashed across our horizon. Several times the milder proposition of "reciprocity" has challenged the attention of politicians and citizens of both countries.

We are now clearly in for another such spell. And if the past can teach anything, it should warn us not to lose our heads. It should warn us to endeavor to have Canada-U. S. relations improved, not worsened, by the discussion.

In days gone by, unfortunately, each attempt at greater unity has left behind a trail of unpleasantness and recrimination.

Union Looks Attractive

Is a customs union with United States desirable? Is it inevitable?

Superficially, a Canada-U. S. customs union looks attractive to many Canadians, especially in this time of dollar shortage. Canadian farmers have always warmed to the idea, especially in the West. They see bigger and better markets for their products; a chance to buy what they need more cheaply.

As well, there's many an Eastern Canadian manufacturer now in favor. Some of them covet the big U. S. market. Some of them see no prospect of continued production at wartime levels without a dropping of north-south trade barriers.

But most who argue this way don't face all the facts of customs union.

Where customs unions have been tried in Europe, it was usually the case that there were more than two partners, and the partners were of about equal strength and importance.

This isn't true of Canada and the U. S.

In economic terms, the United States is roughly 20 times that of Canada. If we wiped out barriers across the 49th parallel and put one tariff or customs fence around both of us, it would be America's fence—not ours. The greater would inevitably dominate the lesser. The Canadian farmer would have no more (if as much) say in North American wheat policy than the State of Utah.

Hence, before anyone jumps to the conclusion that a customs union is "desirable," he must first realize and be prepared for economic, and then political, domination. In short, annexation.

There is another important side to this "desirability" argument.

When you start to analyze it, the chief, if not the only gain for Canada, in customs union, would be greater "material" prosperity, so long as the U. S. was prosperous. As one eminent Canadian put it to me recently: "Our only advantage would be a share in their prosperity—when they had it."

On most other counts, Canadians usually prefer their own, social, political and cultural associations. True, we sometimes envy Americans their warm climate, and the greater "opportunity" that is seemingly theirs. But most Canadians are dubious about American Government.

Is a customs union inevitable?

The answer depends on your estimate of European and British recovery.

If Canada can no longer look for markets and normal trading relations with Europe in the foreseeable future, then one of two things is sure: either we must accept a lower standard of living in Canada or link up with U. S. to level out our living standard with theirs.

Most people are far from sure that Europe can be written off that easily.

France, Britain, Belgium, Netherlands alone represent a population of 100 million. They include some of the best stock the human race has ever produced. Despite the terrific impact of world conflict they are with reasonable rapidity getting once again on their feet.

These countries may still be some way from having their currencies freely convertible (which is the important goal for Canada). But to "write them off" just now is risky.

Unless you do write them off, they stand as the important and, perhaps, decisive factor in whether or not a customs union between Canada and the States is inevitable.

In short, it's impossible to say now that Canada has really reached the "fork in the road" until we know what is going to happen in Europe.

Invisible Tariffs

If, eventually, we have to write off Europe permanently as a market for our goods, then we in Canada probably are "at the fork." In such circumstances we may have to choose between a lower living standard or American union.

But that time hasn't yet come. Nor will it come until Europe has proven, beyond doubt, that her goods and currencies aren't going to be freely exchangeable with those of the dollar nations.

What then are the immediate alternatives for Canada?

This seems clear: some way must be found to channel this current American interest in Canada into useful and productive ways. We can't afford to say "no truck nor trade with the Yankees" just because a majority of us don't think a customs union is presently desirable.

Two things could be done immediately if the Americans are serious about helping Canada and about taking "first steps" toward better economic relations These are:

1. Wipe out the "invisible tariffs" along the 49th parallel.
2. Negotiate as quickly as possible a new

(Continued on page 24)

This Is What Life Magazine Said

Following is a digest of what Life Magazine said editorially this week in strongly advocating economic union with Canada.

Canadians are the closest friends we have in the world and they are in serious economic trouble. From the U. S. they need and deserve considerably less apathy about their plight. More than that they need complete and permanent economic union with the U. S. The U. S. needs this too and so does the future of a healthy world.

Many Canadians rightly proud of the distinctive nation they have built will fear the political consequences of an economic merger. Many will believe it would be damaging to Britain but Canada's political integrity is not the issue here. Canada's ties with Britain are of the heart transcending the pocketbook.

However, the logic of history is forcing Britain into closer ties with the European continent and so Canada's economic future lies with ours.

We are confronted with a new situation which U. S. and Canadian citizens alike are reluctant to face up to. It is that the world order policed by Britain which permitted Canada and the U. S. to develop their separate cultures pretty much apart from the world's tensions has disappeared. It is a violently contracting world now, forcing all of us into new responses.

A time when military strategists look at the top of the world and see that Canada is the only country between us and Russia, is no time to base our judgments on the circumstances of 1912.

The true long-term answer for Canada is to export more food and manufactures to the U. S.

That answer has been evident for many years. But Canada and the U. S. always had some quarrel or other from the time Canada refused to join our revolution on through the fur seal controversy and the Alaskan border bitterness down to the turn of this century.

The wartime Hyde Park agreement between Mackenzie King and Roosevelt sent a new flood of war goods into Canada for use against the common enemy. Today the enemy is hunger, despair, anarchy, Communism. Canada's surplus foods and manufactures are unquestionably needed in this new sort of war. Since Canada herself has shown that she cannot fiscally operate in today's world, and since Britain is fiscally impotent, it is up to the U. S. to act.

The step we should take is complete U. S.-Canadian customs union.

This means that a manufacturer in Hartford would have no more trouble buying or selling in Toronto than in Chicago. Nor would a Canadian farm-machinery maker think more of selling an implement in Iowa than in Manitoba.

Obviously this would mean some initial upset on both sides of the border. And some absorbers might have to be provided for that shock. But the long-term gain would make these upsets seem as trifles.

It might open the way, for example, for a considerable movement of U. S. heavy industry to the new iron discoveries in Canada's Côtes-Nord as the Mesabi Range peters out. The important thing is to start thinking and acting as partners, and not as rivals.

Political integration may be desirable and welcome some day, but it is not now an issue. Economic union makes sense now. It is urgent and desirable for both countries.

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The Provincial Roundup

British Columbia

End Gasoline Control?: While Finance Minister Anscombe submitted his second budget to the legislature this week (advance estimates set it at a record $70 million figure), the province awaited decisions on two other topics: gasoline, and public hospitalization. Already, in an effort to relieve the gasoline shortage, the Government had sanctioned a second price increase (of two cents a gallon) within two months, bringing the price for standard grades to 34 cents in Vancouver, 35c at most other points. Premier "Boss" Johnson warned that if gasoline imports were not resumed, it might become necessary to ration motorists, and to curtail essential public services. Some sources hinted price controls might be removed. On hospitalization, Johnson voiced hope for some "packaged" scheme, which would combine the benefits of the Blue Cross Plan and the Medical Services Association system, and which would be made available to all, instead of to "selected groups."

Business Battle: Vancouver's new business tax still faced tough sledding, both in City Council and before the legislature. As recommended by a special committee, for a one-year trial, businesses would be divided into 13 classifications, none to be taxed at more than 10% of their rental value, and total revenues from the tax should not exceed $2.2 millions. If the "take" ran above or below that figure, license fees and other professional levies would be adjusted proportionately. But Mayor Charles Jones, objecting to the proposed $2.2 million "ceiling," led a fight in Council, which resulted in the plan's being sent back for further consideration. Businessmen, simultaneously, demanded a flat rate without classification; announced they would fight any other plan, before the Private Bills Committee at Victoria.

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Alberta

Ask New Tax Parley: With three dissenting voices, the legislature called for an early Dominion-provincial conference, to negotiate permanent tax agreements in place of the present five-year accords; heard Premier Manning insist that the Federal Government "has no super-claim on the principles needed to solve Canada's social and economic problems." Dissidants were J. Harper Prowse, Liberal leader; J. Percy Page, Independent leader, and Andrew Davison, Independent, Calgary.

Wooing U. K. Capital: Economic Affairs Minister A. J. Hooke was due home from England this week, to iron out confusion which had arisen over Alberta's immigration program (The Financial Post, March 13). The province was seeking a relaxation of U. K. restrictions, which would permit industrialists to transfer capital goods and money to Canada. "With the situation which is developing in the world today" Hooke reported, "the people of the British Empire should be doing something about developing such vast countries, of natural wealth."

Elmer Roper, CCF leader, demurred; insisted that Britain needs to export manufactured goods to obtain funds with which to buy foodstuffs: "Yet the best we in this province can do to aid the British people, who are still fighting such heavy odds, is to try to get that country to send out its sorely-needed factories."

"Prosperity" Souvenirs: The province's once-famed "prosperity certificates" have come to a dismal end. Premier Manning reported to the legislature that the Government only has 242 of these certificates in its possession, and these are being held to be sold for souvenir purposes.

Soon after the Social Credit Government came into power in 1935, these certificates were issued as a form of financing. They were to be self-liquidating, decreasing progressively in value by one cent a month. They failed, largely because Albertans didn't see why they should accept 99c for a dollar. Government officials state that approximately 25,000 certificates never have been submitted for redemption.

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Saskatchewan

Slightly Unparliamentary: "A stinking skunk," Liberal Arthur Thomas Procter (Moosomin) branded Premier T. C. Douglas; was banished from the House by Mr. Speaker Tom Johnston after thrice refusing to retract. Procter had resented a charge by the Premier, that a "dummy" corporation established by the Liberals, had defrauded the treasury of nearly $70,000. Forty-eight hours earlier, Procter had warned that "a strong Communist element" within CCF ranks, threatens to swallow up more conservative members of that party, just as in Romania, Yugoslavia and Czechoslovakia. Challenged by H. O. Hansen, CCF, Wilkie, to name the Communists, Procter retorted: "You are one of them." Hansen gave a flat denial: "I am not a Communist, have never been one; have had no association with Communists or any of their organizations, at any time."

Foresees Timber Famine: The province "has 1,000 years to live, but has retained only enough commercial timber from her vast heritage to last 20 years," Robson Black, Canadian Forester Association President, warned in Regina.

Since 1944, he said, danger of over-exploiting the provincial woodlands has forced curtailment of the wood cut from 169 million bd. ft. to 74 millions, with another 30 millions lopped off in the years ahead, "to avoid complete disaster." By 1968, Saskatchewan would have to wait for a new set of forests to grow: "Fifty years from now, Saskatchewan's increased population will require more wood products and they will have to be imported at high freight rates because there will be no commercial timber available within the province."

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Manitoba

Rush to Tax Railways: Winnipeg had set a snowball rolling, by its move to tax railway property (The Financial Post, Feb. 7, March 6). Portage la Prairie and St. Boniface swiftly followed suit; Brandon, Minnedosa and other municipalities were reported planning similar action. Portage assessed railway land and buildings at around $225,000, which would yield more than $11,000 in taxes yearly; Brandon estimated it should net $28,000 extra, Minnedosa $5,000. Meanwhile, Municipal Affairs Minister William Morton stated the province was considering feasibility of allowing a flat assessment per mile of railway, because of the difficulty of assessing a transportation system equitably in every municipality.

40c to Spare: Premier Stewart Garson didn't know what his actual salary was, he confessed in the legislature, as Ronald Turner air services representative, urged an increase in the present "niggardly" payments to cabinet ministers. Mr. Garson thought his salary was either $7,000 or $7,050. (The Canadian Almanac indicated he was 40c out in his second guess; gave the figures as $7,050.40. Turner quoted the premier's salaries as: Quebec, $14,000; Ontario, $11,995; British Columbia, Nova Scotia, $9,000; Alberta, $8,500; Saskatchewan, $6,500; New Brunswick, $5,400.)

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Ontario

Under Two Fires: Two challenges confronted the Drew Government this week, as the legislature awaited presentation of Provincial Treasurer Leslie Miscampbell Frost's fifth budget. The Liberal Opposition sought to censure the administration for "failing to provide adequate reserves of power" to meet the province's needs; the CCF arraigned it for "inadequate labor legislation, vague housing proposals, no plans for health and welfare . . . failure to recognize the need for social ownership."

7,000th Air Immigrant: A shimmering, blunt-nosed air liner marked a milestone in the province's immigration program, as it coasted eastward at Malton Airport last Sunday. Ending the 198th flight in the air-migration program begun last summer (The Financial Post, Aug. 9, 1947), the plane brought the 7,000th British settler to the province. The 7,000 figure had been set originally as the object in the government program; but now the influx, by both air and sea, was to continue throughout 1948, at least. Members of the Drew cabinet, and some of the settlers who had pioneered in the air odyssey last summer, greeted the history-making craft.

Auto License Deadline: After one three-week time extension, next Monday was positively the deadline for taking out 1948 motor car and drivers' licenses. "Even allowing for recent adverse weather conditions, this extension has been ample to permit everyone to obtain new plates and licenses," Highways Minister Doucett warned, as municipal and provincial police prepared to crack down, next week, on delinquents. Two-plate markers were back in circulation for the first time since early war days.

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Quebec

5,000 From France?: Obscurity still veiled details, this week, of a reported plan to bring 5,000 French immigrants to Canada, for settlement in this province. Unofficial reports said the Duplessis administration was sponsoring the program, in a move to equalize the racial balance of newcomers, in view of the number now entering the Dominion from other sections of Europe. In Ottawa, Federal Labor Minister Mitchell admitted there had been "an exchange of correspondence" on the subject. In Quebec City, Premier Duplessis commented more cryptically: "We shall be in favor of selective immigration of people having our mentality and offering sufficient guarantees that they will prove capable of adapting themselves to Quebec's way of life . . . but at an opportune time; I do not consider this the proper time. We have too many problems to solve first; immigration would only add to our difficulties."

Target Prorogation: With the decks cleared of most contentious issues, pre-Easter prorogation was the legislature's target this week (with expectations of a midsummer election to follow). One of the last questions demanding attention, was financial aid to Laval University, University of Montreal, and University of Bishop's College; a $4 million contribution was proposed, to Laval's subscription campaign for a proposed university city.

Le Combat Back: The leftist weekly newspaper Le Combat, suppressed under the province's padlock law a month ago, reappeared on Montreal streets last week in single-sheet form. Printed in Toronto, the paper proclaimed it was "published under the padlock law"; commented: "It would be as well to padlock the Observatory at Dorval because it forecasts rain when sunshine is desired, as to banish a newspaper which reflects the fighting spirit of the working class." Provincial police said they had no jurisdiction over delivery of the paper by mail; but warned that it would not be allowed to be sold in Quebec.

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New Brunswick

Doone's Ninth Budget: For the ninth consecutive year, Provincial Secretary-Treasurer James Joseph Hayes Doone was to give an accounting of his stewardship to the legislature this week, with forecasts of another substantial surplus. (A year ago Doone had reported record revenues of $18,723,592 and expenditures of $16,436,477; a surplus of $2,287,115, up $465,305 from the preceding year.) Later in the week the legislature was to recess for 10 days, over Easter.

Maritime Spruce to U. K.: Maritime Canada will export 60 million ft. of spruce (value "several million dollars") to the United Kingdom this year, the Maritime Lumber Bureau announced. Shipments, expected to begin in June, would be diverted for the most part to industrial uses. Sales would be made through the usual export channels at prices very close to those in force last year for the same sizes and qualities. Each exporter would be liable for a certain percentage of the total based on self-estimates of his ability to supply.

The 60,000,000 bd. ft., a spokesman said, was much less than the quantity of spruce usually supplied to the United Kingdom from Eastern Canada. However, it would go a long way, he believed, toward stabilizing employment, establishing the confidence of bankers in industry and generally contributing to a more secure position for eastern Canadian operators for the balance of 1948.

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Nova Scotia

PC's Plan Comeback: "The Macdonald regime needs opposition, and it is going to get it, for a change." So the provincial Progressive Conservative executive vowed, accusing the present administration of "utterly and dismally failing to face, let alone to attack, postwar problems." Unrepresented in the legislature since the 1945 election, the party now planned a comeback, based on "a far-reaching program for Nova Scotia's economic development." Said Party Secretary Harry T. MacKenzie: "If we are to afford good roads, costly government buildings, adequate social services, modern schools and well-paid teachers (all necessary or desirable), we must still give priority to the needs of industry. As industry prospers, so prosper labor, business, professional men, and every other group in the community."

Coast Ice-locked: Ice, drifting from the Gulf of St. Lawrence, piled up the most formidable pack in a decade, to menace navigation along Nova Scotia's coast; and there was no immediate promise of the warm water and gales needed to disperse it. Six weeks of unusually cold weather, the Dominion Weather Office in Halifax reported, had thrown a belt of slob ice (frozen slush) around the harbor there; while east of Canso Strait the pack was more solid. While the icebreaker Saurel stood by at Louisburg, for emergency action, ships picked a precarious passage through the few open lanes.

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P. E. Island

Cabinet Changes: A surprise shift brought Alex M. Matheson into the Island Cabinet as Health and Welfare Minister, succeeding Hon. W. M. Hughes, who resigned due to pressure of business affairs. Premier J. W. Jones was to take over, temporarily, Hughes' other duties as Provincial Secretary and Treasurer, while Hughes would continue as a minister without portfolio. Matheson, first elected in a by-election in 1940, defeated in 1943, and re-elected last December had served thus far in the present session, as clerk of the legislature.

Link Power Plants?: A rumored proposal to connect the three main power plants on the Island by a heavy power line was stirring controversy among the authorities concerned. Apparent intention was to have the unified power line as a backbone for over-all rural electrification, from which feeder lines could be run into various country areas. Premier Jones said the Charlottetown and Summerside plants would probably be required to link up, in order to take care of any emergency, such as a temporary breakdown. Officials of Charlottetown's Maritime Electric Co. complained that none of the plants has any power to spare, and therefore the scheme would be a waste of money. The only solution, they said, would be an amalgamation of the plants concerned, and a heavy subsidizing program from the Government.

Overhaul Overlapping: In order that the right hand might know what the left is doing in agriculture, a Permanent Agricultural Council was established on the Island. Formed of representatives of the Dominion and provincial governments, its aim was to eliminate any duplication of services now provided. Walter R. Shaw, provincial Deputy Minister of Agriculture, is chairman; R. C. Parent, superintendent of the Dominion Experimental Farm, vice-president.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

B. C. ELECTRIC CO. 1947 net profit was up 9.1%. (See B. C. Power Co. report.)

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net income	$2,749,431	$2,543,744
Less: B. C. El. Ry. Pref. divd.	290,880	290,876
Net profit	2,458,551	2,252,868
Less: Pref. divd.	416,000	300,000
A & B divd.	1,686,304	1,060,000
Surplus for year	356,247	892,868
Earnings per Share and Dividend Record:		
Preferred	$20.49	†$45.06
4% paid	2.55	....
6% paid	2.20	6.00
Cl. A & B	1.02	0.98

†6% pref. redeemed May 12, 1947.

CONS. BALANCE SHEET

As at Dec. 31:	1947	■1946
Cash & mkt. bds.	$2,225,079	$5,997,070
Accts. rec.	2,894,617	2,276,891
Inventories	4,951,598	2,798,431
Total curr. assets	10,071,294	11,072,392
Bds. & cash with bdhldrs. trstee.	3,109,300	......
B. C. Pwr. shs.▲	666,540	666,540
Rec. re. prop. sale	600,000	600,000
Empl. pens. fund	3,260,077	3,176,671
Bd. ref. exps., etc.	1,274,562	1,027,292
Other assets§	1,828,124	1,425,007
Fixed assets‡	135,738,390	119,397,419
Total assets	156,548,287	137,365,321
Accts. pay., etc.	6,938,569	5,043,799
Due B. C. Pwr. Crp.	759,712	691,825
Taxes payable	1,671,030	1,886,923
Total curr. liab.	9,369,311	7,622,547
Funded debt	56,522,624	46,522,624
Gen. & accid. res.	997,710	976,364
Empl. pens. fund	3,260,077	3,176,671
Subsids. cap. stk.	6,987446	6,987,446
Capital stock	70,400,000	63,400,000
Capital surplus	6,115,765	6,115,765
Earned surplus§	2,895,354	2,563,904
‡After deprec. of	43,557,929	43,119,705
▲Market value	445,621	508,668
§Incl. ref. EPT	1,284,500	1,252,000
Working capital	701,983	3,449,845

■Pro forma bal. sheet after giving effect to 1947 refinancing shown above, but before new 4% pref. stk. issue in Apr./47.

CANADA IRON FOUNDRIES LTD. net profit is up 32.5% to $711,373. Sales volume was fully maintained throughout the year, all plants being fully occupied with operating conditions more stable than in the previous year, although still far from normal, President W. J. Langston states.

Business on hand for the company's products continued to be satisfactory with full production for the year indicated, he adds. Working capital increased $443,276.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Total net earnings	$1,149,330	$776,925
Less: Deprec.	169,254	131,185
Inc. tax res.	268,703	109,200
Net profit	711,873	536,540
Less: Pref. divds.	17,861	19,364
Com. divds.	336,034	334,532
Surplus for year	357,478	182,644
Earnings per Share and Dividend Record:		
Preferred	$23.95	$17.80
Paid	0.60	0.60
Common	1.65	1.23
Paid	0.80	0.80

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$59,411	$272,998
Dom. bds. & mkt. sec.†	207,183	207,796
Other secs.	......	3,606
Accts. rec.	1,165,264	681,773
Inventories	1,962,471	1,239,515
Total curr. assets	3,394,329	2,405,688
Misc. assets▲	130,017	123,487
Invests. in subs.	3,270,647	3,270,647
Fixed assets*	3,688,161	3,664,993
Total assets	10,483,154	9,464,815
Total curr. liab.	1,175,368	630,003
Due to subsid.	105,521	4,179
Unclaimed wages, etc.	1,047	932
Reserves	936,000	936,000
Capital stock	4,497,940	4,499,040
Capital surplus	978,760	977,660
Surplus▲	2,788,518	2,417,001
*After depr. of	4,597,626	4,429,330
†Market value	234,415	236,554
▲Inc. ref. EPT	99,485	99,485
Working capital	2,218,961	1,775,685

B. C. POWER CO. 1947 net profit of $1,980,605 was practically the same as that for 1946. Gross revenue and miscellaneous income at $32,249,083 was $2,279,000 higher than in 1946, but operating expenses amounted in greater proportion. Reduced taxes and lower interest charges helped sustain earnings.

Electric revenues alone totalled $14,571,728, nearly $1.2 million more than in 1946. Growth was particularly impressive in the Fraser Valley which in many respects is becoming virtually a suburban area, President A. E. Grauer states. During the year 4,889 new customers were connected there and at the year-end some 2,100 were waiting connection.

Passenger and freight revenue at $11,409,889 were down $228,625 due to a strike which lasted from Oct. 20 to Nov. 17. Increased rates in Vancouver became effective as from Nov. 30.

Increased gas revenues at $3,030,643, up $440,000, were due in part to a gain in customers and in part to higher rates effective in Greater Vancouver from Sept. 22, 1947.

B. C. Electric Co.'s extension program was carried forward at a faster rate in 1947, with expenditure of $16,779,195 compared with $9,155,330 in 1946. At year end the program as a whole was nearing 50% completion. By the end of 1947 the North Vancouver conversion from street cars to buses had been completed and also the major part of the Greater Victoria conversion.

CONSOLIDATED INCOME ACCOUNT

Years Ending Dec. 31:	1947	1946
Gr. oper. rev.	$31,819,483	$30,344,589
Net income	9,721,798	11,195,914
Less: Depr. & renew.	3,017,928	3,023,660
Amort. dev. exp.	......	89,285
Empl. pens. fd.	914,917	1,435,626
Inc. tax res.	1,833,000	2,485,451
Add: Inv. pr. of	288,702	234,678
War ins. ref.	......	69,030
Net revenue	4,244,655	4,465,620
Less Fixed Charges:		
Bond int.	1,438,025	1,799,489
Bd. disc. w/o	119,145	87,338
Subs. pfd. divs.	706,880	590,876
Net profit	1,980,605	1,987,917
Less Cl. A divs.	1,600,000	1,600,000
Surp. for year	380,605	387,917
Times Fixed Charges Earned:		
Before depr. and renewals	3.21	3.02
After depr. & renewals	1.87	1.80
Earnings per Share and Divd. Record:		
Class A	$1.98	$1.99
Paid	1.60	1.60
Class B	d0.02	d0.01
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash, mkt. bds.	$2,225,781	$6,000,716
Accts. rec.	2,894,617	2,276,891
Inventories	4,951,598	2,798,431
Total curr. assets	10,071,996	11,076,038
Cash with trustee	3,109,300	......
Inv. cos. shs.*§	666,540	666,540
Empl. pens. fund	3,260,077	3,176,671
Bd. refund. exp.	2,064,038	1,850,448
Other assets▲	2,428,124	2,057,507
Fixed assets■	135,738,390	119,397,419
Total assets	157,338,465	138,224,623
Accts., etc., pay.	7,345,474	5,443,799
Taxes pay.	1,934,884	2,150,777
Total curr. liab.	9,280,358	7,594,576
Funded debt	56,522,624	46,522,624
Gen. acc. res.	997,710	976,364
Empl. pens. fund	3,260,077	3,176,671
Subs. cap. stk.	18,987,446	11,987,446
Capital stock	59,250,000	59,250,000
Capital surp.	6,115,765	6,115,765
Earned surp.▲	2,924,485	2,601,177
■Aft. depr. of	43,557,929	43,119,705
§Market val.	445,621	508,668
▲Incl. ref. EPT	1,284,500	1,284,500
*Held by subsid.		
Working capital	791,638	2,481,462

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CALLINAN FLIN FLON MINES advises that Industro-Mining Investments has underwritten 50,000 shares at 10 cents a share, payable forthwith, and optioned 350,000 shares at 10 to 15 cents. On issue of underwritten shares, issued capital will be 2,038,740 shares.

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Quebec Facing Lower Revenue Cuts Spending

MONTREAL (Staff) — Quebec will be living on a reduced budget in 1948-49, Provincial Treasurer Onesime Gagnon predicted in his budget speech last week. Estimated revenues for the year are placed at $142.4 millions against actual revenues in 1947-48 of $166.9 millions; total expenditures at $141.9 millions, a decrease of $20.4 millions from 1947-48.

Mr. Gagnon is budgeting for a surplus of $421,000 and plans to reduce the provincial net debt by another $7 millions, besides paying off a $10 million loan incurred in connection with the Farm Credit Bureau. One reason for the reduced estimates is that the non-recurring revenue item of $20.5 millions which the province received from Ottawa last year is missing from revenue estimates in 1948-49.

Biggest cut in expenditures is in the roads department, whose estimates are slashed from $44.3 millions in 1947-48 to $24 millions.

By March 31 of this year, the Treasurer predicted, the province's net debt will be less than $277 millions, a reduction of more than $31 millions in the last three years. Mr. Gagnon quoted a Bank of Montreal report that Quebec's per capita debt of $98 is the lowest of any province.

"Pay-as-You-Go" Policy

The province still adheres to its pay-as-you-go policy. In 1947-48 it showed a surplus on current account of $43 millions, but out of this spent $41.3 millions for capital expenditures. Similarly in the 1948-49 estimates, surplus on ordinary account is set at $17.2 millions with capital expenditures of $16.8 millions. Mr. Gagnon defines capital expenditures as "those which add to the assets of the province."

The Treasurer stressed that the Government has not entered the money market since Feb 1, 1946, which, he declared, "constitutes a fact without precedent."

He attributed increased revenues for 1947-48 to three factors: (1) Arrears due to the province by the Federal Government; (2) return of the province to the corporation tax field; (3) modernized methods of collection. In his estimates, however, Mr. Gagnon puts revenues from corporation taxes at $26.3 millions, some $4.5 millions below 1947-48. Whether this indicates that the Government is expecting some business recession is not stated.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

RENABIE MINES experienced a $107,967 loss during the initial six months of tuning up operations, ended Dec. 31, 1947 (charged to development account) but January production and costs are stated to indicate a satisfactory profit.

January output was at a rate of 156 tons. With tonnage now approaching 250 tons daily, the management anticipates that maximum production at 300 tons daily should be reached soon. Underground labor force is now adequate for the first time.

As proceeds of a $700,000 bond issue purchased by Macassa proved insufficient for requirements, a further $710,810 of advances was secured from Macassa covered by promissory notes at 5% interest.

INCOME ACCOUNT

Year Ended Dec. 31:	1947
Bullion prod.‡	$166,798
Less: Oper. exp.	140,725
Oper. profit	26,073
Less: Gen. exp.	95,169
Expl. & dev.	38,871
Preprod. exp.	128,616
Bond interest	50,798
Net loss & deficit†	287,381

‡Period July 1 to Dec. 31.
†Charged to deferred development.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$16,009	$79,805
Accts. rec.	3,307	......
Stores & mat.	110,417	81,110
Total curr. assets	129,733	160,915
Prep. exp.§	637	2,952
Pwr. line adv.	98,192	70,734
Bd. disc., org. exp.	142,693	145,742
Def. devel., etc.	733,616	446,235
Mining props.	75,234	75,232
Bldgs. & equip.	978,613	453,237
Total assets	2,158,718	1,355,047
Total curr. liabs.	165,190	145,307
Macassa Mines:		
Demand notes	788,939	80,190
1st mtge. bds.	700,000	700,000
Accr. int.	75,039	......
Capital stock	429,550	429,550
Working capital	▲35,457	15,608

§Incl. in curr. assets in co's. report.
▲Excess of curr. liabs. over curr. assets.

OPERATING STATISTICS

	1947
Tons milled	‡25,743
Average recov.	$6.48
Ore reserves, tons	302,000
Grade ($35 gold)	$9.16

‡6 mos. to Dec. 31.

NATIONAL BREWERIES 1947 net profit was up 14.2%. This year's earnings include for the first time the earnings of Mount Royal Importers, Inc., and Black Horse Ale, Inc., the U.S. subsidiaries. Owing to rearrangements and additions the company was able to produce and market more beer than in 1946; the increase would have been even greater had the bottle shortage of 1946 not carried over into 1947. At the end of the year there still was not any evidence of any general falling off in the demand for malt beverages, it was stated.

In the export markets, especially those in the sterling area, the company felt the effects of the dollar crisis. In the United States distribution was broadened by entering other states, although there was some falling off in volume.

The extension of the storage building at Boswell Brewery will be complete by the middle of the year and will add materially to plant capacity. It is planned to undertake two further major projects—construction of a new bottling building at Dow Brewery and a new brewhouse at Dawes Black Horse Brewery. If conditions warrant, these two buildings will be started during 1948.

Working capital was up at $8,396,448 ($7,048,660). The improvement is due in part to the inclusion of the figures of the U.S. subsidiaries. An amount of $200,000 was appropriated to provide for future decline in inventory values. The sum of $500,000 was appropriated as a provision for the replacement of certain fixed assets.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$5,381,014	$5,242,809
Less: Deprec.	278,838	281,679
Res. for taxes	2,005,963	2,251,691
Net profit	3,096,213	2,709,439
Less: Pref. divds.	194,250	194,250
Com. divds.	1,442,744	1,442,744
Surplus for year	1,459,219	1,072,445
Earnings per Share and Dividend Record:		
Preferred	$27.89	$24.41
Paid	1.75	1.75
Common	4.02	3.49
Paid	2.00	2.00

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$1,251,378	$608,481
Accts. rec.	2,044,661	1,488,590
Investments‡	3,976,223	3,345,915
Inventories	4,928,761	4,493,414
Total curr. assets	12,201,023	9,936,400
Investments†	46,490	186,490
Misc. assets▲	1,611,254	1,653,170
Fixed assets*	6,451,313	5,871,594
Total assets	20,310,080	17,647,654
Bank loan	140,000	......
Accts. & tax. pay.	3,664,575	2,887,740
Total curr. liab.	3,804,575	2,887,740
F. A. replace res.	500,000	......
Amt. due subsid.	......	102,863
Capital stock	8,185,285	8,185,285
Surplus▲	♦7,820,220	6,471,766
*After depr. of	8,997,838	8,750,300
‡Market value	4,245,930	3,687,430
▲Incl. ref. EPT	1,148,634	1,309,130

♦After deductions totaling $967,735 for pension fund, inventory reserve, fixed asset replacement provision and w/o on fixed assets.
†Including $25,000 in 1946, subsid. co.

Working capital	8,396,448	7,048,660

CARNATION CO. 1947 net profit was up 33.3%. Net sales were $231,339,460 ($186,929,951). Sales were the largest in history. Carnation Evaporated Milk again made a "very fine" growth in volume, it is stated. Many other products showed volume gains. The company purchased a receiving station at St. Marys, Ont., and completed a station at Waterloo, Que.

CONSOLIDATED INCOME ACCOUNT

Years ended Dec. 31:	1947	1946
Net sales	$231,339,460	$186,929,951
Net profit	4,283,387	3,211,985
Less: Pref. divds.	272,449	240,000
Com. divds.	914,231	1,218,976
Surplus for year	3,096,707	1,753,009
Earnings per Share and Dividend Record:		
Preferred 3¾%	$42.83	†$53.53
Paid	0.93¾	....
Paid (old)	3.761	4.00
Common	6.58	4.88
Paid	1.50	*2.00

†4% pref. redeemed Sept., 1947.
*Includes 50c payable following year.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$6,441,949	$5,868,275
Mkt. secs.‡	1,310,146	1,271,981
Accts. rec.	10,889,959	9,707,775
Ref. fed. taxes	91,000	101,997
Inventories	16,859,341	17,240,584
Total curr. assets	35,592,395	34,190,612
Prep. & def. chgs.	§766,215	537,102
Invest. in subs.	975,000	994,565
Misc. assets▲	362,793	913,122
Fixed assets*	28,835,698	20,980,814
Total assets	66,582,101	57,616,215
Bank notes	......	2,500,000
Accts., tax, etc. pay.	13,694,218	10,333,246
Divds. pay.	93,750	364,864
Total curr. liab.	13,787,968	13,198,110
Funded debt	10,000,000	10,000,000
Reserves	4,818,070	3,447,369
Capital stock	20,056,552	16,056,352
Surplus▲	17,869,511	14,914,384
*After depr. of	17,838,045	16,251,765
‡Market value	1,515,000	1,500,000

§Incl. in curr. assets in co's. report.

Working capital	21,804,427	20,992,503

YOU ASKED US

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INCOME TAX

Wife's Income

I was married in August, 1947. My wife was working before that and her earnings came to $1,500. How do we both stand for income tax? Can I claim married status?

No. You are both taxable as single persons.

Started Working in July

I started working after July 1, 1947. At what rate do I pay income tax? The rate effective after July 1 was lower than that in the first half of the year, and as my earnings were all in the last half I think I should pay tax at the lower rate.

You are expected to pay tax at the average of the two rates effective in 1947 even though your income was earned altogether in the last half. You can get the combined rate for the full year on your income tax return which saves you making a double calculation on half your total income at each of the two rates in effect during the year.

INVESTMENTS

Red Poplar Gold

Could you give me some current information on Red Poplar Gold Mines?

Red Poplar Gold Mines was incorporated June, 1947, to acquire assets of Bayview Red Lake Gold Mines on basis of one new pooled share for each four old shares held.

The property in the Red Lake area, Ont., is inactive and we understand that resumption of development depends on improved financing conditions. Original operators sank two shafts; the No. 1 to 750 ft.; No. 2 to 125 ft. Unlisted mining dealers advise that there is no current market quotations on shares.

Quaich Oil

Would you please give me some information on Quaich Oil Corp., its present holdings and operations? What is the capital setup on the company?

Quaich Oil Corporation was formed in January, 1946, with an Ontario Charter and holds 1,960 acres of leases some 50 miles south of Turner Valley and 40 miles northwest of Pincher Creek. Drilling of the company's No. 1 well was resumed in the summer of 1947 but progress has been slow. At the beginning of March, 1948, the well was down 2,447 ft. The company has an authorized capital of three million shares of which 1,528,367 shares were outstanding at last report.

Quebec Pulp & Paper

What is the present status of Quebec Pulp & Paper Corp.? What is the most recent estimate on value of total assets?

Late in 1944 the value of this company's timber holdings was estimated at around $2 millions. Valuing other assets well below cost or replacement value, plus $950,000 estimated in cash and government bonds, would indicate a total valuation of assets at over $5 millions against which there is the Quebec Government claim of $1.9 millions.

Quebec Pulp & Paper with its three subsidiaries owns inactive groundwood pulp mills at Chicoutimi and Val-Jalbert, Lake St. John. When the groundwood mill was in operation it was reported to have had a capacity of 500 tons per day. It is not known, however, whether this mill has subsequently been dismantled or if it is in operating condition. It is stated that the company holds freehold and leasehold timber land which are said to contain about four million cords of pulpwood. Power sites with potential capacity of 60 thousand horsepower of which 36 thousand horsepower is developed at Chicoutimi and Val-Jalbert are also included in the company's property.

The company was placed in bankruptcy in Oct., 1942, following a petition of Quebec Streams Commission on a claim for $1.9 millions unpaid for water dues in arrears. Prior to that no operations were carried on since 1930 except for the machine shop at Chicoutimi which had been used since 1941 for war-work on a limited scale. For the eleven months ended Dec. 31, 1928, the company operated at a loss of $385,039; for the year 1929 at a loss of $326,875 and in 1930 at a loss of $285,244. Figures available from 1935 to 1941 indicate that the company operated at a loss in each of these years and at Dec. 31, 1941, there was a defiict of $5 millions. During these years, however, the only income available was from interest on investments, sale of wood, and sale of power.

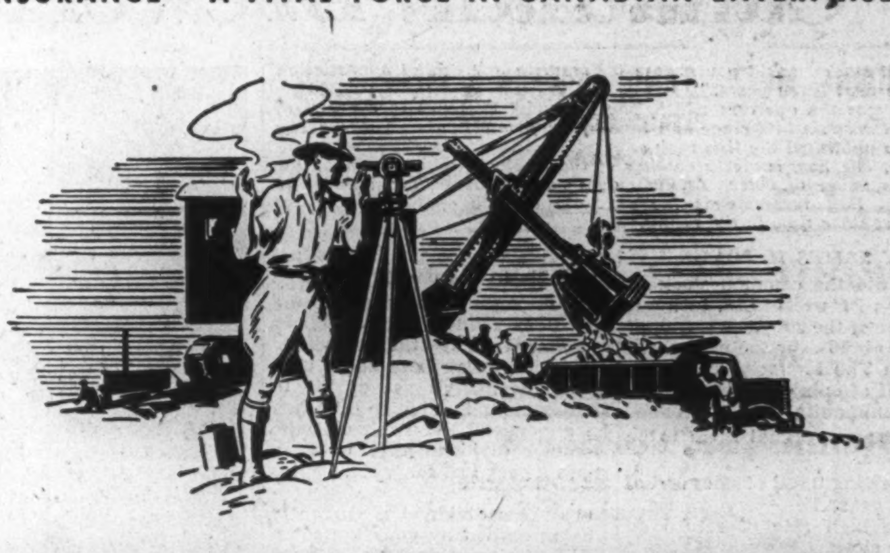
In the prospectus covering the recent sale of Bathurst Power & Paper Co. bonds, sale of Quebec Pulp & Paper assets to a new company, Chicoutimi Syndicate, was hinted. This new company is owned 40% by Bathurst, 40% by Joseph Simard and 20% by Nesbitt, Thomson & Co.

Negotiations for purchase of Quebec Pulp & Paper are now being carried on, the prospectus stated. If consummated, a company will be formed to acquire the assets and rights from the syndicate and to produce pulp and paper products at Chicoutimi, and elsewhere.

Last fall Premier Duplessis stated that the Quebec Government held a cheque for $1,555,000, which had been deposited by a syndicate on the purchase of Quebec Pulp & Paper in 1944.

The Bathurst bond prospectus states that the title to the Quebec Pulp property may be partly freehold and partly leasehold. Any assets and rights which Bathurst acquires as a member of the syndicate will not be included as part of the assets of the company covered by the trust deeds securing the bond issue, according to the prospectus.

INSURANCE — A VITAL FORCE IN CANADIAN ENTERPRISE



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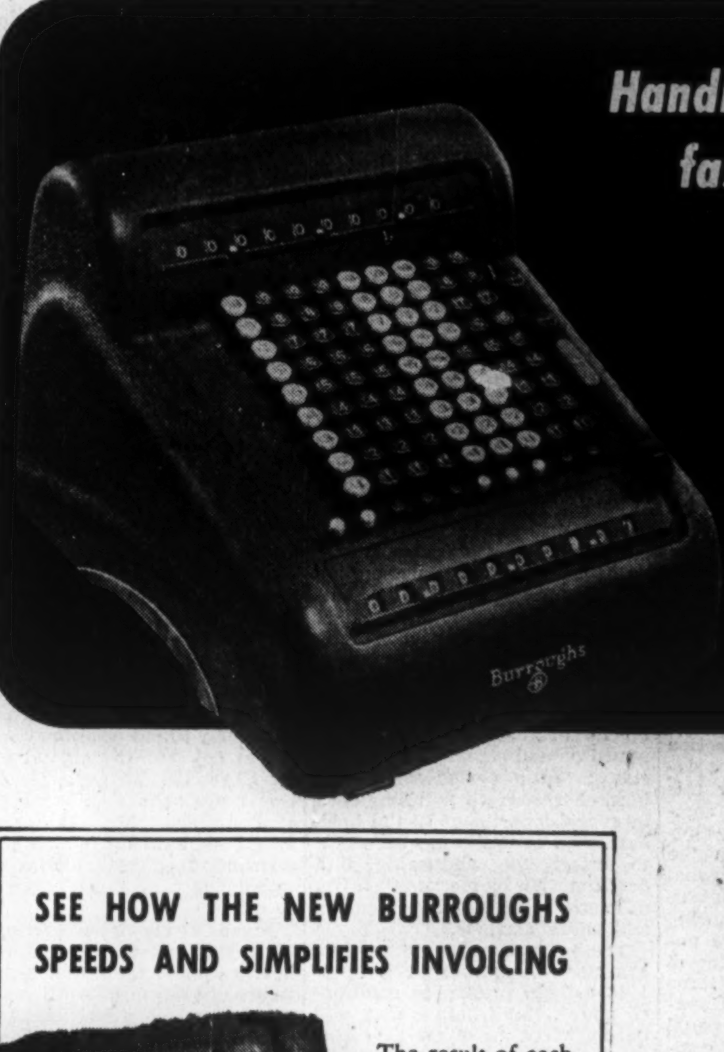

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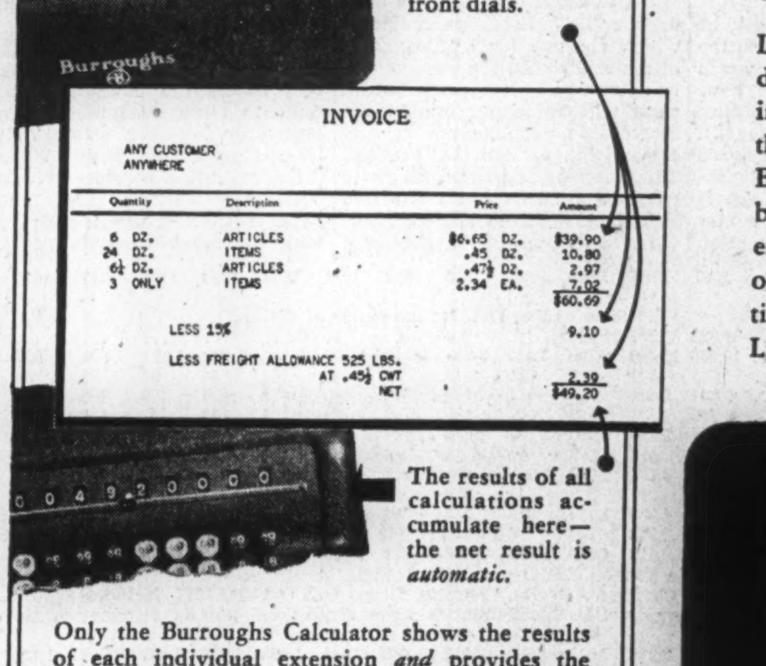

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On Brokers' "Most Popular" Stock List:

Canadian Breweries Ltd.

"What stocks would you choose for security and capital appreciation over the next three years?"

That was the question which The Financial Post put to a group of leading Canadian brokerage and investment firms. In recent weeks The Post has published the lists they selected.

Here, The Post analyzes another of the 20 stocks which received the highest number of votes. Analysis does not, of course, mean that The Financial Post recommends the purchase or sale of these securities now or at some time in the future.

BY JAMES H. JOYCE

Why did the common stock of Canadian Breweries Ltd. turn out to be one of the 20 "most popular" stocks to hold over the next three years in The Financial Post's recent poll of opinion in the investment community?

The reasons would seem to be as follows.

(1) Its rising trend of sales and of net profit.
(2) The high rate of return on the stock.
(3) The relatively conservative ratio at which the stock is selling in relation to current earnings.
(4) Its record of expansion, now nearly completed, which indicates the possibility of increased income through increased production and sales.
(5) The growth possibilities of its U. S. subsidiary, Brewing Corp. of America of which it owns over 76% of the common shares.
(6) The apparent good consumer acceptance for its products.
(7) The broad market for the stock, listed in Toronto, Montreal and New York Stock Exchanges and held by 13,591 shareholders at Jan. 28, 1948.
(8) Its aggressive management.
(9) The expectation that sales of malt beverages in Canada should be well maintained.

But despite these favorable factors, Canadian Breweries common sells at lower times-earnings ratio and gives a higher return than other Eastern Canadian brewing companies. At its current level of about $18¼ a share, it is selling about 5.9 times its earnings of $3.08 a share for the fiscal year ending Oct. 31, 1947. (John Labatt 11.1 times; Molson 13.1 times; National Breweries 10.4 times, the latest published fixed year's earnings). It now yields 10.95% on the basis of its $2 a share current dividend rate. (5.19%; 4.41%; and 4.65% respectively for the three others.)

Why is Canadian Breweries selling out of line? There would seem to be three reasons:

(1) There is more Canadian Breweries stock outstanding than for any of the other breweries.
(2) The company's growth has been so rapid that investors wonder if it might not suffer from "growing pains" particularly as business becomes increasingly competitive.
(3) The fact that E. P. Taylor, its board chairman, is in so many different businesses.

On the other side, the chief operating executives of the company have all been in the brewery business for all their business careers. They are devoting their full time to the company.

The Company's Record

A record of the price range of the stock, the company's working capital position, and an abbreviated income account showing earnings and dividends per share for the 12 years 1936-47 are shown in the accompanying table.

Consolidated net sales of $76.8 millions for the 1947 fiscal year are 21½% higher than in the previous year and nearly 36% above their 1944-45 level of $56.6 millions. (1945 was the first year in which the consolidation included Brewing Corp, of America) These 1947 sales were over 4.8 times what the comparable 1939 figure would have been.

The consolidated net profit for the 1947 fiscal year of $6.2 millions is at an all-time high — up 31% from the previous year and nearly 2.7 times the 1945 net profit, including refundable EPT of $1.7 millions. This presents a striking contrast to the company's pre-war record. Earnings from 1935 to 1938 were insufficient to cover the $3 dividend rate on the then outstanding preferred stock while a deficit was shown from 1931 to 1934. However, figures are not strictly comparable due to the inclusion of Brewing Corp. of America figures in 1945 and subsequent years and to the changes in the company setup.

Consolidated net earnings of $1,474,133, equal to 67c a common share, are reported for the first quarter of the current fiscal year (three months to Jan. 31, 1948) as compared with $1,369,181 or 68c a share for comparable quarter a year ago. Net sales for the quarter were $20,319,436 — up 17.7% from the comparable figure of $17,260,177 for the three months ending Jan. 31, 1947.

Not all the consolidated net profit is available for dividends. The company's controlling interest in Brewing Corp of America is held by its wholly-owned subsidiary, Canadian Breweries Inc., which has $872,257 serial notes due Dec. 15, 1948 to 1950 outstanding. Its loan agreement provides that dividends received from Brewing Corp. shall be applied first in payment of interest and expenses and then in reduction of such notes. Further, the loan agreement covering $4.5 millions notes payable to banks due Oct. 15, 1948 to 1956 by Brewing Corp. of America restricts its dividends to 50% of its net income subsequent to Sept. 30, 1945 until the loans are retired. Thus $1,328,626 or 21.5% of the 1947 consolidated net profit was not available to the parent company.

E. P. Taylor, chairman of the board of Canadian Breweries, has announced that the directors' policy is to distribute about 60% of the company's net profits to shareholders in dividends. When he announced the raising of the common dividend rate to $2 a share a year last May, Mr. Taylor pointed out:

(1) "This dividend is currently being earned by your Canadian subsidiaries alone by a good margin."
(2) "Your board is not relying on any revenue from Brewing Corp. of America for some time to come, to contribute to dividends being paid by the parent company."

The Outlook

Can the company keep its earnings up to their present level? Directors believe that the company can, due to domestic and export demand combined with the new additions to capacity.

What is the outlook? This is best broken down into three parts — production, sales, and profit margin.

From a production standpoint the outlook is bright. The company's $19 millions postwar program of expansion of the capacity of its principal plants is expected to be completed by next April. This will mean that the production facilities available for the fiscal year 1948-49 will total approximately 3,800,000 barrels or about double the maximum production possible in 1945. Of this, Canadian capacity will be about two million barrels a year and that of the Cleveland plant of Brewing Corp. 1.8 million barrels annually. Assuming that there will be no restrictions on manufacturing /supplies, the company expects production for the current fiscal year to be 22.5% higher than in the 1947 fiscal year with an ultimate, annual increase of 28% over that of the 1947 fiscal year as a result of completion of its expansion and modernization program.

Are grain supplies likely to be restricted? Industry officials do not consider it likely that the Canadian Government will impose any grain restrictions on the brewing industry. The grains presently used in the company's Canadian production of beer are the malting grades of barley and a very small quantity of cereal adjuncts. Malting barley cannot be considered a factor in relation to food conservation, it is stated. Further, the whole Canadian brewing industry only uses from 7% to 8% of the total barley crop, it is pointed out.

In the United States there was a restriction on the use of corn for brewing, in effect from Nov. 1, 1947, to Jan. 31, 1948, which amounted to a reduction of 25% in the monthly consumption. The U. S. industry has now agreed, on a voluntary basis, not to use table grade rice and to restrict the use of wheat and corn. This does not affect Brewing Corp. at all as its Cleveland plant only uses the malting grades of barley and brewers rice (which is not in the same category as table rice).

What about sales prospects?

The Canadian industry is forecasting about a 7% increase in its sales volume in 1948 over the 155 million gallons sold in 1947. In view of the anticipated demand and increased production facilities Canadian Breweries expect to substantially better this percentage increase for the company.

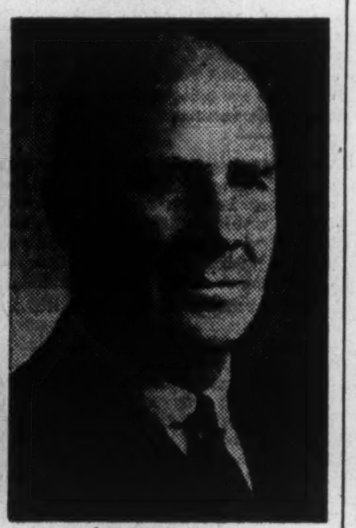
The brewing industry in the United States is in a somewhat unsettled position at present so the outlook for sales of Brewing Corp. of America is a little uncertain. For the first quarter of its current fiscal year (three months to Dec. 31, 1947) Brewing Corp.'s net profit was equal to $1.36 a share of its own common against $3.89 for the similar quarter a year previously.

In Export Trade

Also favorable is expected to be the company's expansion into the export business. Although world wide exchange difficulties have curtailed export possibilities (temporarily only it is hoped), the company expects 1948 exports to be maintained at a "satisfactory level." The bulk of the export business is done during the winter when the Canadian consumption is seasonally down. Consequently it does not interfere with local demand but helps to equalize production, officials point out.

E. P. TAYLOR

Chairman of the Board, Canadian Breweries Ltd., organized the consolidation of brewery companies completed in 1930, out of which has grown the present company.

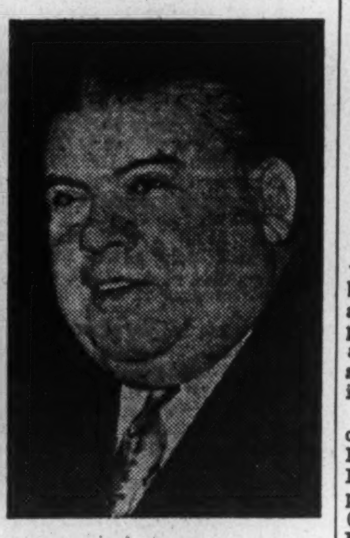


D. CLIVE BETTS

President, Canadian Breweries Ltd., since 1944, joined the company in 1930; has been in the brewing business since 1913.

H. A. TAYLOR

Executive vice-president, Canadian Breweries Ltd., since 1944; was formerly comptroller, appointed treasurer in 1934. In brewing industry since 1910.



JAMES A. BOHANNON

Director of Canadian Breweries Ltd. and president of the subsidiary, Brewing Corp. of America, organized in 1938.

Canadian Breweries is represented by over 50 agents in 31 foreign countries, excluding the United States. In addition a new U. S. subsidiary, O'Keefe's Inc., has been set up to distribute O'Keefe brands as a premium product in the United States. It is doing a limited business in some 20 States.

An important factor to the company has been a trend in recent years to an increasing per capita consumption of malt beverages and towards bottled beer as against draught beer, both in Canada and in the United States. The Canadian per capita consumption was 12.6 imperial gallons, U. S., 15.6 imperial gallons. (This figure runs much higher, up to 21-22, in the more heavily industrialized States which are contiguous to Canada). These per capita figures are still below the prewar U. K. normal consumption of about 23 imperial gallons — indicating potential future growth here, brewers feel. Consumption is also running about 70% bottled and 30% draught as against about 38% bottled and 62% draught in 1936.

What of Cost Increases?

Can Canadian Breweries keep up its profits? In the recently issued annual report, E. P. Taylor states: "In a period which has been characterized by rising costs in every department of the business, your company has been able to offset the narrowing unit profit margin by means of greater efficiency, increased production and wider markets."

These factors are expected to continue to operate at least in 1948 to help profits, as mentioned above. But whether they will be sufficient to offset new cost increases is a question. Malt, which represents about 70% of the materials cost, now costs about $2 a bu., or 75% more than in the 1947 fiscal year. Hops, which account for another 20% of materials cost, are expected to be up 6c a lb. in 1948. Distributing costs will be higher due to the increase in gasoline prices, cost of vehicles, cartons, bottles, etc. The company increased its basic wage to $1.08 an hour, effective Feb. 1, 1948, from 93c an hour. (This is just double the 1939 hourly rate.) Since 1939 costs have risen as follows: malt 120%; hops 119%; cartons 51%; coal 87%; wages 100%; federal excise taxes 166%; the major portion of the increase being since Oct. 31, 1947, Mr. Taylor pointed out at the last annual meeting.

Out of each 1947 sales dollar, 43.2% went for taxes; 24.7% for materials and supplies; 11.2% in wages and salaries; 4.2% in selling expense; 3.3% for transportation and distribution; 3.8% for depreciation; 1.6% for administration and finance with 8% being net profit.

Taxation is the only item expected to be down. The 15% excess profits tax went off on Dec. 31, 1947. Representations are being made for a reduction in excise tax which was increased the equivalent of 40c a case to a total of 60½c a case during the war. If no relief is obtained here, there is a possibility that prices may have to be adjusted but the industry is hesitant about this move especially in view of increasing consumer resistance to price increases for any product. There has been no increase in the case price of beer since 1942 when the company's net price went to $2.78 a case from the prewar $2.50 a case.

Financial Position

From a financial standpoint, Canadian Breweries seems to be in a fairly sound position. Consolidated net working capital totaled $9,756,170 at Oct. 31, 1947. No more share financing is contemplated, Mr. Taylor has stated — a factor which is reassuring to investors who were wondering how much more was to come.

Fixed assets were carried at $29.2 millions at Oct. 31, 1947, nearly double their Oct. 31, 1945 figure of $15.5 millions. It is made up of $2 millions land; $15.1 millions buildings, plant and equipment ($22.7 millions gross less depreciation reserve of $7.6 millions); $10.3 millions construction in progress and $1.9 million containers of U. S. subsidiaries.

"So far as sound knowledge and judgment can foresee, the very substantial increase in the company's fixed assets is represented by low-cost, strategically located units," Mr. Taylor states.

Capitalization consists of $15.4 millions debentures and notes payable ($6.5 millions due 1967 with the balance serials all due by Oct. 15, 1956) and 2.5 millions authorized, 2.2 millions issued, no par value common shares carried at $20.5 millions. The largest shareholder is Argus Corp., owning 330,000 or 15% of the shares.

Directors are: E. P. Taylor, chairman of the board, (12,500); D. C. Betts, president, (1,414); H. A. Taylor, executive vice-president, (2,800); C. D. Magee (10,401); Robert Fleming (365); M. W. McCutcheon (1,595); C. F. W. Burns (1,101); all of Toronto; Hon. Wilfrid Gagnon (640), Montreal; Lt.-Col. W. Fraser Hadley (1,501), Hull, Que.; Lt.-Col. J. Innes Carling (186), London, Ont.; J. A. Bohannon, president of Brewing Corp. of America, (15,001), Cleveland, Ohio; and R. S. Caverhill (1) London, England. Figures in brackets are shares owned directly or indirectly at Dec. 1, 1947. Mr. E. P. Taylor and Mr. McCutcheon are both directors and officers of Argus Corp.

The company reports 3,077 employees at Jan. 28, 1948. Labor relations are apparently good. The company has a collective bargaining agreement with the International Union of United Brewery, Flour, Cereal and Soft Drink Workers of America which is affiliated with the CIO.

Canadian Breweries is in reality a holding company for a group of subsidiaries engaged in the brewing of various types of lagers, ales and stouts. Chief subsidiaries in Canada are Brading's, British-American, Carling and O'Keefe's.

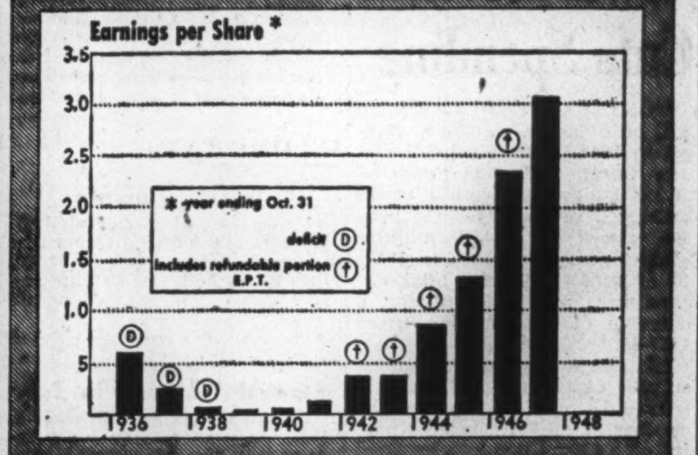
Following its formation the company embarked on a plan to acquire brewing companies with the object of reducing overcapacity in the industry in the Province of Ontario. This program of plant consolidation resulted in the concentration of the production of 19 brewing plants into nine well equipped and favorably located breweries in Ontario and one beer storage and bottling plant in Quebec.

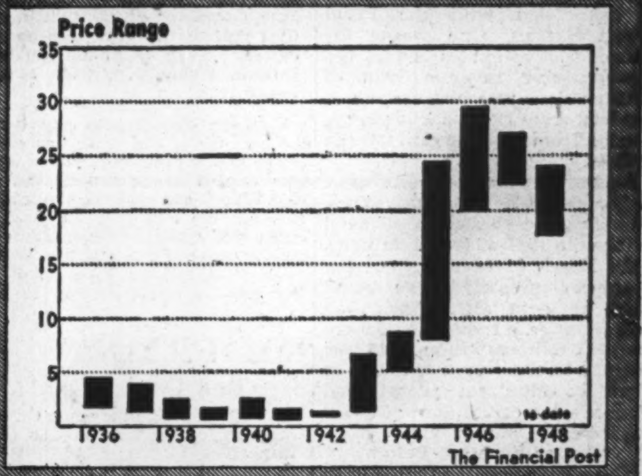
Through acquisition of control of Brewing Corp. of America, Cleveland, Ohio, the company in 1944 entered the United States market. Interest in this company was increased to over 76% by the end of 1947. It confines its sales to packaged products only.

Early in 1946, in order to ensure itself of an adequate supply of barley malt, the company acquired control of and now owns over 89% of the voting shares of Dominion Malting Co. Ltd.

The company also owns Victory Mills Limited, a wholly-owned subsidiary formed in 1944 to process soybeans and other oil bearing seeds and byproducts of the breweries. Plant is at Toronto. Operations are said profitable. A malt house is being erected on its waterfront property, designed to have a capacity of 1,500,000 bu. of malt per annum. This together with control of Dominion Malting will assure Canadian Breweries of an adequate malt supply for its additional production facilities.

Canadian Breweries' Record





	1947*	1946*	1945*	1944	1943	1942	1941	1940	1939	1938	1937	1936
(Years ending Oct. 31; thousands of dollars)												
Net sales	76,822	63,207	56,525	...	...	...	...	...	...	...	...	...
Profit from operations	14,466	12,400	9,560	5,020	3,339	2,610	1,797	1,428	1,203	1,123	869	527
Other income	554	630	347	114	49	53	49	67	94	94	92	48
Deprec.	2,004	1,681	811	537	539	542	492	472	450	469	400	369
Deb. interest, etc.	596	494	429	157	100	107	124	124	103	101	100	89
Income tax§	5,654	5,619	6,006	3,169	1,886	1,194	626	340	165	142	99	30
Minority interest	414	532	368	12	13	44	33	34	61	69	34	...
Net profit (incl. ref. E.P.T.)	6,170	4,704	2,294	1,259	851	777	597	525	519	436	328	87
Ref. E.P.T.	...	169	589	641	335	63	...	...	...	...	...	...
Retained net profit	6,170	4,536	1,705	618	516	714	597	525	519	436	328	87
Surplus for year	2,670	2,278	700	8d	55d	192	81	117	192	109	43	158d
Surplus forward	9,437	6,413	4,026	2,737	2,104	1,824	1,569	1,488	1,425	1,279	1,277	1,274
Working Capital	9,756	8,986	7,519	4,860	3,932	1,888	2,048	1,983	1,916	1,407	1,757	1,421
Common Stock ($):												
Earned†	...	2.27	0.98	0.01d	0.07d	0.28	...	...	...	...	...	...
Earned‡	3.08	2.35	1.32	0.84	0.38	0.38	0.12	0.05	0.04	0.08d	0.24d	0.60d
Paid	1.75	1.18¾	0.20	...	...	...	...	...	...	...	...	...
Common Price Range ($):												
High	27.00	29.50	24.50	8.87½	6.50	1.45	1.60	2.62½	1.80	2.50	4.00	4.50
Low	22.25	20.00	8.00	5.00	1.30	1.00	0.65	0.90	0.75	0.90	1.20	1.75

§—Net, after deduction of refundable portion E.P.T. d—Deficit.
*—Consolidated to include Brewing Corp. of America. Surplus forward at Oct. 31, 1947, includes $2,707,322, representing company's share of profits of U. S. subsidiaries since acquisition and its distribution is restricted (see story).
†—Excluding (‡—including) refundable portion of excess profits tax.
1948 range has been: High, $24; Low, $20.

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Essential Facts For Investors *regarding*

Canadian Breweries LIMITED

currently featured in The Financial Post's survey of brokers' "Most Popular Stocks," may be secured in the form of a complete factual analysis from THE FINANCIAL POST CORPORATION SERVICE

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Can We Feed Europe, Fight Inflation?

Self-discipline and Increased Output Part of Solution

How can we ship food and capital goods to Europe and still fight inflation here at home?

Self-discipline of individuals and industry, lower consumption and increased production were among the answers presented by J. T. Bryden, assistant general manager, North American Life Assurance Co., in Toronto recently. Here is a digest of his address:

By J. T. BRYDEN

Is there anything we can do about our basic difficulty — "too many dollars chasing too few goods and services at too many artificial values?"

First, we could do with fewer dollars and we would be better off still if the dollars that we had weren't working quite as hard. What could we do about that?

1. We could reduce our money supply by using government surpluses to reduce debt, particularly bank-held debt. That suggests the necessity for government surpluses and relatively high taxation and at the same time a great need for economy by government in reducing nonproductive overhead and a reduction in government expenditures.

2. Could we reduce government expenditures? Yes, but the idea is not popular to anyone politically minded, particularly when an election may be in the offing. Maybe the most we might expect would be that no new expenditures may be added, and that any new commitments in the realm of social security which would pump additional money into an already swollen spending stream, be postponed at least until the stream needs augmenting.

3. Could we hold down the velocity with which our dollars are turning over? If each consumer would undertake the conscious policy of only buying the minimum necessary at this time, bearing in mind that there is not enough to go round, if we are to do our share in the restoration of Britain and Western Europe. Either we manage to consume less ourselves, voluntarily or as the result of spreading inability to pay, or alternately there is a great outcry for more controls and rationing which doesn't get at the basic difficulties. The consumer has the real answer by stopping his own dollars from chasing goods and services too fast.

4. Could we try as far as possible to keep what savings we have and to live within our earned income? Liquidation of savings for goods and the steady increase in credit sales are evidence that currently earned purchasing power is being augmented by a drawing down of past savings and a mortgaging of future earnings, both swelling the current demand for scarce goods and services.

Since we are in a condition of overemployment, could we do with more goods and services?

1. I think we could waste less of our present production. Economy is not being practiced yet to the extent it could be. This might be the basis for a national campaign.

2. I think we could consume less. Although high prices are forcing a lessening of consumption in some areas, we are living better than we ever did before. We are producing amounts of goods now which several years ago would have shown a surplus, and yet today demand far exceeds supply.

3. There is no way of telling how much is being held off the market by those who have bought ahead for their own consumption later, or by those who have bought ahead in the expectation of higher prices later on. He who profiteers under any circumstances does the whole system of free enterprise a disservice.

4. By sweeping away every possible impediment, we could have more production. We should make a critical analysis of what is left of our wartime controls and of our new restrictions to conserve U. S. dollars, to see that they are the irreducible minimum consistent with our U. S. dollar reserves. It is unfortunate that such restrictions are necessary because although they conserve U. S. exchange, they also restrict imports and hinder production.

5. Our labor force at a high level of productive efficiency could produce much more than is now being turned out, and it is the extra effort which is going to narrow the gap between demand and supply, and help stop the spiral of inflation.

6. Could we expand our plant? We are, but plant expansion increases only gradually the flow of goods, and in the meantime competes for its share of scarce materials.

What About Artificial Values?

I believe we must get back again to real values. The tendency of economic management seems to be the creation of artificialities in the guise of maintaining stability or of stimulating employment or of effecting some desirable social result.

Can a Selfish World Such as Ours Exist for Long on Artificialities?

1. Subsidies are a tool in the hands of government to influence production and the distribution of that production, but they hide the real cost and distort the production. Let's drag them out in the open so that we will know as we go along what we are really doing and what our costs are. If we need to distribute our national income for economic purposes, then let's have a direct social security tax; let's collect it on the basis of ability to pay; let's keep it separate from our federal operating budget and then let's distribute it on the basis of need as a payment from this pool.

2. Trade deals, too, at artificial prices successfully distort real values. The effect of artificially depressing the price of one commodity until it is out of line with the general level of prices, restricts production because producers, wherever possible, will turn to those things which will yield more for their efforts, or alternatively, will release their production into a black market.

3. The Canadian dollar is being held at parity with the United States dollar, when it is perfectly obvious that our balance of payments with the United States doesn't justify such a rate. Other currencies generally are being held at exchange rates which cannot be justified on the basis of their balance of payments with us. It is true, I think, that recovery in world trade is most likely to be successfully accomplished if international currencies are at realistic exchange rates, and realism is something we might press for to the end that the rates under the International Monetary Fund be so adjusted.

Would Free Movement of Capital Help?

Unrealistic exchange rates do not entice international capital investments, and in the past, it has been the movement of capital which has built world trade and raised the standard of living in many areas.

Now is the time when capital must move back from the New World to the Old World. The International Bank of Reconstruction and Development was the companion piece for the International Monetary Fund, and was designed to deal with long-term transfers on capital account, but whether it can satisfactorily take the place of attractive capital investment opportunities and the relatively free movement of such investment funds, is a very moot point.

The outlook for 1948 would not indicate much lessening of the inflationary pressures that are now exercising such an upward thrust on our price level, and this suggests that we haven't seen the peak of prices yet.

When we say that prices are headed higher still, we are also saying that our currency is going to depreciate still further. The dollar bill which we saved in 1939 is now worth about 55c. I suspect that there is a very thin line marking the point at which people begin to prefer things — almost any kind of things — to money, and after that the rout is really on. It would be comforting if we knew the exact point at which confidences would begin to be lost.

History would indicate that during inflationary periods a hardening in money rates is natural and desirable, in that it tends to slow down the rate of expansion.

What Is Purchasing Power?

Wages are not purchasing power in the true sense. Production is purchasing power and high wages should be the result of high production. Too often the psychology that goes with full employment has the effect of decreasing productivity, human nature being what it is. When there is no danger of losing our jobs we seem to acquire a lackadaisical attitude. We put in our time and demand our dough and the boss must produce or else. Production must be the goal; employment follows naturally. Without full production all we can do is to inflate ourselves or control ourselves or ration ourselves into poverty.

Our economic thinking has been well-intentioned, has been aimed at correcting areas of instability, has had for its object the good of the many, but it has also required economic experimentation, and experiments take many years to prove and unleash many forces, the effects of which cannot be accurately foreseen ahead of time.

We seem to have formed the habit of expecting the Government to do something — something about almost anything and to do very little about it ourselves. It would be nice if Government could do everything for us, including our thinking. I don't think the world was built that way. We still must face realities, both individually and collectively.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

L. McBRINE CO. realized substantial increases in sales volume and net profits in 1947. Sales rise resulted partly from additional output and partly from increased prices necessitated by higher material and labor costs, President E. J. Shoemaker states.

Previous difficulties in procuring sufficient supplies of materials to assure a steady flow of production have been somewhat overcome during recent months, the president adds. Company has been able to acquire an inventory which more adequately serves considerably increased rate of production.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$122,575	$80,603
Less: Inc. taxes	56,506	41,235
Net profit	66,069	39,368
Less: Pref. divds.	20,000	20,000
Surplus for year	46,069	19,368
Earnings per Share and Dividend Record:		
Preferred†	$3.30	$1.97
Paid	1.00	1.00
Common†	4.61	1.94
None paid.		
Pref. & com.‡	2.20	1.31

†Before (‡after) participation.

CONDENSED BALANCE SEET

As at Dec. 31:	1947	1946
Cash	$623	$33,002
Accts., etc., rec.	241,332	199,965
Inventories	420,789	248,092
Life ins., c.s.v.	5,352	489
Total curr. assets	668,096	481,548
Prep. exp.§	7,636	7,464
Ref. EPT	16,582	16,295
Mtge. rec.	2,500	3,500
Fixed assets*	62,656	52,828
Total assets	757,470	561,655
Bank loan	116,737	21,600
Accts. & tax. pay.	178,653	124,045
Total curr. liab.	295,390	145,645
Capital stock	240,000	240,000
Surplus▵	222,080	176,010
*After depr. of	171,694	164,173
▵Incl. ref. EPT	16,582	16,295
§Incl. in curr. assets in co's. report.		
Working capital	372,706	335,923

CAPITAL WIRE CLOTH AND MANUFACTURING CO. increase in net earnings in 1947 was satisfactory and can be credited to improvement in general efficiency of plant resulting in greater production, President T. L. Dunbar states. Net profits finished 46% above 1946 profits at $83,456.

Study of further general improvements in operations is now taking physical effect. An extension to the main building is under way and will provide needed facilities for further efficiency.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$159,927	$118,331
Less: Deprec.	11,471	12,278
Income taxes	65,000	49,000
Net profit	83,456	57,053
Less: Pref. divds.	15,000	15,000
Com. divds.	25,000	18,750
Surplus for year	43,456	23,303
Earnings per Share and Dividend Record:		
Preferred	$8.35	$5.71
Paid	1.50	1.50
Common	2.74	1.63
Paid	1.00	0.75

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$127,476	$135,933
Accts. rec.	42,361	33,742
Investments†	62,739	76,050
Inventories	116,178	63,482
Total curr. assets	348,754	309,207
Def. chgs., etc.▵	9,714	9,692
Fixed assets	371,841	334,664
Total assets	730,309	653,563
Total curr. liab.	57,248	35,371
Deprec. res.	278,785	267,527
Capital stock	100,000	100,000
Earned surplus▵	294,275	250,665
†Market value	136,000	132,000
▵Incl. ref. EPT	7,303	7,281
Working capital	291,506	273,836

ABITIBI POWER & PAPER 1947 net profit was up 52.9% with net sales $64,340,010. Mills operated at rates in excess of normal capacities, and new records in total sales and in earnings were set up.

As a result of the improved position of company products in the world's markets and of strong demand for them, it has been possible to proceed with the reconstruction program, President D. W. Ambridge states. At Sturgeon Falls the new semi-chemical corrugating board plant began operating in September. At Smooth Rock Falls the new caustic extraction plant went into operation in August and has greatly improved quality of the bleached sulphite produced there, it is stated. The new grinder room at the Thunder Bay mill went into operation in Jan., 1948, and both production and costs have been improved. The board machine at Iroquois Falls has been speeded up and modernized and is now producing 40% more board for the use in Canada and the United States. Plans for speeding up and modernizing mills at Pine Falls, Iroquois Falls, Port Arthur and Beaupré have been completed.

Directors are convinced that further rehabilitation of the company's properties is necessary before a dividend policy on the common shares can be established, it is stated.

RESULTS FROM OPERATIONS

Years Ended Dec. 31:	1947	1946
Net sales	$64,340,010	......
Net earnings	25,092,146	$20,810,942
Less: Depr. & depl.	3,703,769	3,434,333
Int. accr. for yr.	1,835,955	2,751,403
Emp. pens. fd.	810,445	750,000
Bond disc. & exp.	378,931	......
Inc. tax	9,800,000	8,275,000
Balance	8,563,046	*5,600,206
Net profit		
Less: 5% pref. divd.	79	......
Prior pref. divd.	375,000	......
Pref. divd.	2,092,908	......
Surplus for year	6,095,059	5,600,206

*Incl. profits of $1,453,653 earned under receivership Jan. 1 to Apr. 30, 1946 and carried to previous operat. deficit.

Times Bond Interest Earned:	1947	1946
Before depr., depl.	13.67	7.56
After depr., depl.	11.65	6.32
Earnings per Share and Dividend Record:		
$2.50 pr. pref.	$171.26	$112.00
Paid	2.50+5.00	....
$1.50 pref.	6.05	3.92
Paid	1.50	....
Common	5.11	2.72
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$682,816	$11,539,038
Accts. rec.	6,983,524	6,265,245
Bd. invests.	184,789	194,603
Inventories	27,341,550	17,528,984
Total curr. assets	35,192,679	35,527,870
Prepaid exp.	569,144	543,648
Misc. assets▵	1,291,552	415,177
Misc. invests.*	5,710,523	5,710,023
Fixed assets	86,217,723	82,671,921
Total assets	128,981,621	124,868,639
Bank loan	3,000,000	......
Accts., taxes, etc.	14,322,827	11,280,251
Bonds due	2,035,000	......
Total curr. liabs.	19,357,827	11,280,251
Adv. contr. payt.	570,447	......
Invent. res.	1,500,000	......
Credit conting. res.	......	1,500,000
Funded debt	42,465,000	53,093,700
Capital stock	54,846,735	54,848,135
Earned surplus▵	10,241,612	4,146,553
▵Incl. ref. EPT	203,548	203,548
*Provincial Paper, G. H. Mead Co. and Abitibi Service Inc. in 1947; exclusive of latter co. in 1946.		
Working capital	15,834,852	24,247,619

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OTTAWA (Staff) — With attention focused once more on the British wheat contract and a possible ultimate revision of British buying policy in Canada because of dollar shortage, the following breakdown of British agricultural purchases in Canada in 1947 is of special interest.

According to this new compilation, Canadian foodstuffs represented 53.4% of all British food purchases last year (57.3% in 1946 and 24.9% in 1938). Total tonnage was 89 million cwt., against 76.5 in 1946 and 50 in 1938. Tonnage for 1947, with percentage figures for that year and 1938, as follows:

	(Cwts.) 1947	% of Total U.K. Imports 1947	1938
Wheat	67,785,527	81.9	28.3
Wheat flour	13,218,766	75.9	47.6
Barley	....	....	27.5
Oats	1,968,609	92.9	93.9
Beans	57,605	6.8	24.3
Beef	292,543	2.9	0.6
Mutton and lamb	22,996	0.2	...
Bacon	1,962,454	74.4	18.6
Ham	1,265	78.5	34.9
Pork	....	...	0.7
Pork offal	14,023	9.0	10.6
Butter	....	...	0.3
Cheese	458,024	51.9	23.2
Poultry	107,479	18.2	2.8
*Shell eggs (converted)	640,285	47.8	6.5
Dried egg	110,453	16.3	...
Frozen egg	14,145	5.2	...
Condensed milk (unsweetened)	245,557	20.7	56.6
Casings	6,183	6.2	7.8
Apples (fresh)	663,145	43.8	42.5
Potatoes	1,500,000	43.7	...
Canned tomatoes	28,157	9.0	19.0
Canned foods (not specified)	12,225	10.5	85.5
SO_2 fruits, pulp	70,733	13.7	5.9
Canned salmon	204,938	30.7	13.5
Total	89,365,112	53.4	24.9

Canadian Exports to Russia Outweigh Imports 24 to One

Canada, during the calendar year 1947, exported goods to a value of $4,469,356 to Russia, and imported from that country only $181,120 worth.

EXPORTS FROM CANADA TO RUSSIA Item:	Value
Whisky	$ 68
Gin	785
Haddock, canned	186,934
Herrings, sea canned	2,663,468
Sea fish, canned, n.o.p.	151,491
Boots, shoes, leather uppers, men's	45,590
Canned meats, n.o.p.	702,731
Cotton fabrics, coated	9,617
Books, bound or unbound	158
Gas engines and parts	145
Cultivators	1,079
Threshing machine separators	1,853
Farm implements, n.o.p.	1,354
Machinery and parts, n.o.p.	75,388
Autos, freight, new, over one ton	32,600
Automobile parts	145
Scales and weighing beams	86
Electric motors and parts	577,953
Switches and wiring devices	49,601
Electrical apparatus, n.o.p.	4,076
Glass and glassware, n.o.p.	2,280
Medicinal preparations	31,891
Enamels and lacquers	18
Soda and sodium compounds	6,132
Radium and salts	60,000
Drugs, dyes & chemicals, n.o.p.	1,526
Packages	180
Refrigerators and parts, electric	1,140
Dental, surgical, hospital equipment	8,508
Scientific apparatus, n.o.p.	4,840
Settlers' effects	6,335
Donations and gift parcels	238,384
IMPORTS TO CANADA FROM RUSSIA	
Essential oil, n.o.p.	$ 90
Fur skins, raccoon, undressed	4,688
Fur skins, fox, undressed	6,284
Fur skins, Persian lamb, undressed	57,525
Fur skins, squirrel, undressed	66,140
Fur skins, undressed, n.o.p.	11,173
Fur skins, dressed, n.o.p.	412
Manufacturers of fur, n.o.p.	5,780
Carpets, oriental	26,870
Bank notes, printed matter, n.o.p.	295
Books, printed, periodicals, n.o.p.	804
Books, foreign language	509
Phonograph records	416
Cameras & camera parts, n.o.p.	125

Regina Surplus Set at $150,000

From Our Own Correspondent

REGINA—Regina will show a surplus of approximately $150,000 for 1947 ($99,000 in 1946, $132,000 in 1945), City Commissioner G. M. Gillis announces.

Net surplus for the three utilities—light and power, water and street railway—will be around $1,038,000 ($1,146,000 in 1946).

The light and power department will realize a surplus of $974,000—$40,000 more than estimated, and $44,016 more than the year before. The waterworks department will show a surplus of about $120,000, approximately the same as in 1946.

Street railway is the only utility with a deficit, approximately $16,000. In 1946 it showed a net surplus of $97,000 after setting aside $117,722 for renewals and new equipment.

1947 Borrowings Manitoba's Highest In Two Decades

From Our Own Correspondent

WINNIPEG — Borrowings of Manitoba municipalities and school districts in 1947 totaled $4,090,303, highest in the last 20 years. Included in the amount was $2.7 millions borrowed by the city of Winnipeg.

Applications to borrow were made by 81 municipalities and school districts to the Municipal and Public Utility Board. Rates paid ranged from 3½% to 4% (5% in the case of one remote district, for a small borrowing). Two of the issues were for refunding purposes, one of $106,237 by the rural municipality of Assiniboia at 2½% and $130,000 by Fort Garry at 3½%.

Two others were issued for building and equipping hospitals under the province's Health Services Plan; by the Altona Hospital District for $125,000 at 3¾% and by the Turtle Mountain Hospital District for $120,000 at 4%.

Twelve of the applications for borrowings were for new skating and curling rinks, three for community centres, 44 for new school buildings and remodeling or making additions to old ones; the balance for miscellaneous municipal purposes.

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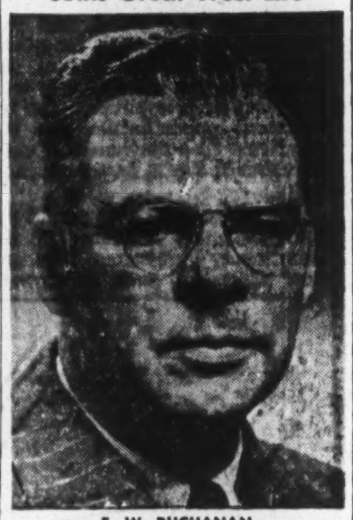
Plan Direct TCA Line Edmonton to Vancouver

From Our Own Correspondent

EDMONTON—A direct air link between Edmonton and Vancouver is planned by Trans-Canada Air Lines, W. R. English, of Montreal, vice-president in charge of operations for TCA has announced. He said sites for navigation facilities over the mountains on a direct route were being surveyed.

At present, TCA flights from Edmonton to Vancouver are routed via Calgary.

Joins Great-West Life



F. W. BUCHANAN

H. W. Manning, Vice-President and Managing Director of The Great-West Life Assurance Company, Winnipeg, has announced that F. W. Buchanan, formerly of Lightcap Securities Ltd., has joined the Company's Investment Department.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

SPRINGER STURGEON GOLD MINES showed major increases in earnings and working capital in 1947. Net profits of $352,261 equalled 16.4 cents a share (7.0 cents in 1946). Working capital was more than doubled at $732,405. A $100,000 loan of the Industrial Development Bank has been paid off.

Enquiries for the coming year indicate that sales of barite will be highly satisfactory although present world conditions make it difficult to estimate operating results, President K. J. Springer reports. While the dollar problem does remain, Mr. Springer expresses optimism that U.S. dollars will continue to be made available to important oil developments in the sterling area for which barite is used. Ore reserves of the barite producing subsidiary, Canadian Industrial Minerals, showed only a minor change at 1,917,902 long tons. A considerable quantity of ore was drawn from the 270-ft. level in 1947 and development at the 350-ft. level is under way.

A sum of $56,169 was written off prospecting expenses and expenditures on claims written off. Considerable exploration was done during the year in various areas of British Columbia but veins exposed were not regarded as of real economic importance. Nothing of interest was found in preliminary prospecting of two groups of claims held in the Bachelor Lake area.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$663,233	$359,985
Less: Deprec.	154,198	116,991
Dev. w/o	......	21,602
Royalties	14,834	14,287
Taxes	141,940	57,027
Net profit	352,261	150,078
Less: Divd.	64,230	......
Prosp. exp. w/o	56,169	14,457
Surplus for year	231,862	135,621
Earnings per Share and Dividend Record:		
Common	$0.164	$0.070
Paid	0.03	....

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$484,445	$81,488
Accts. rec.	71,313	154,733
Investments§	86,469	91,316
Other sec.	65,816	54,909
Inventories, etc.	194,702	196,922
Total curr. assets	903,245	579,368
Misc. assets▲	50,853	55,855
Mng. props. & leas.	3,281,584	3,272,699
Plant & equip.*	347,357	450,834
Total assets	4,582,839	4,358,756
Bank loans	......	100,000
Accts. & tax. pay.	106,610	80,009
Divd. pay.	64,230	......
Total curr. liab.	170,840	180,009
Minor int. sub. co.	......	6,017
Capital stock	175,055	171,305
Capital surplus	3,242,645	3,239,000
Earned surplus▲	994,299	762,425
*After depr. of	403,794	254,642
§Market value	372,051	426,865
▲Incl. ref. EPT	41,445	41,445
Working capital	732,405	399,359

OPERATING STATISTICS

	1947	1946
Ore reserves,* tons	1,917,902	1,967,321

*Canadian Industrial Minerals.

ROBINSON, LITTLE & CO. 1947 net profit was up 10.6%. Sales were considerably higher as were expenses. So far, cost of doing business has been justified by increased sales, it is stated. During the year considerable money was spent on development work in the field, and on staff training. Extension of franchise outlets is still seriously hampered by high cost of building materials and equipment, and shortages of many important merchandise lines.

So far in 1948, sales have shown a satisfactory increase, but it is hard to forecast the trend of business and profit prospects. It is a foregone conclusion that supplies from the United States will be drastically curtailed, and it is not safe to count on the British and Canadian markets taking up the "slack."

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Oper. profit	$203,090	$167,359
Add: Invest. inc.	......	8,750
Less: Deprec.	10,950	9,251
Income tax	99,964	79,026
Net profit	97,176	87,832
Less: Divds.	25,000	9,432
Surplus for year	72,176	78,400
Earnings per Share and Dividend Record:		
Class A	$3.89	$3.51
Paid	1.00	....
Common	1.42	1.24
None paid.		
Pref. (old): Paid	....	2.00

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$103,296	$319,675
Accts. rec.	85,723	79,922
Inventories	393,179	383,771
Life ins., c. s. v.	10,014	8,612
Total curr. assets	682,212	791,980
Misc. assets▲	42,157	40,350
Fixed assets*	80,852	73,929
Total assets	805,221	906,259
Accts., tax., etc., pay.	111,776	226,020
Conting. res.	10,000	25,000
Total curr. liab.	121,776	251,020
Funded debt	50,000	100,000
Capital stock	10,452	10,452
Capital surplus	44,836	44,836
Earned surplus▲	578,157	499,951
*After depr. of	68,340	63,297
▲Incl. ref. EPT	37,300	37,300
Working capital	560,436	540,960

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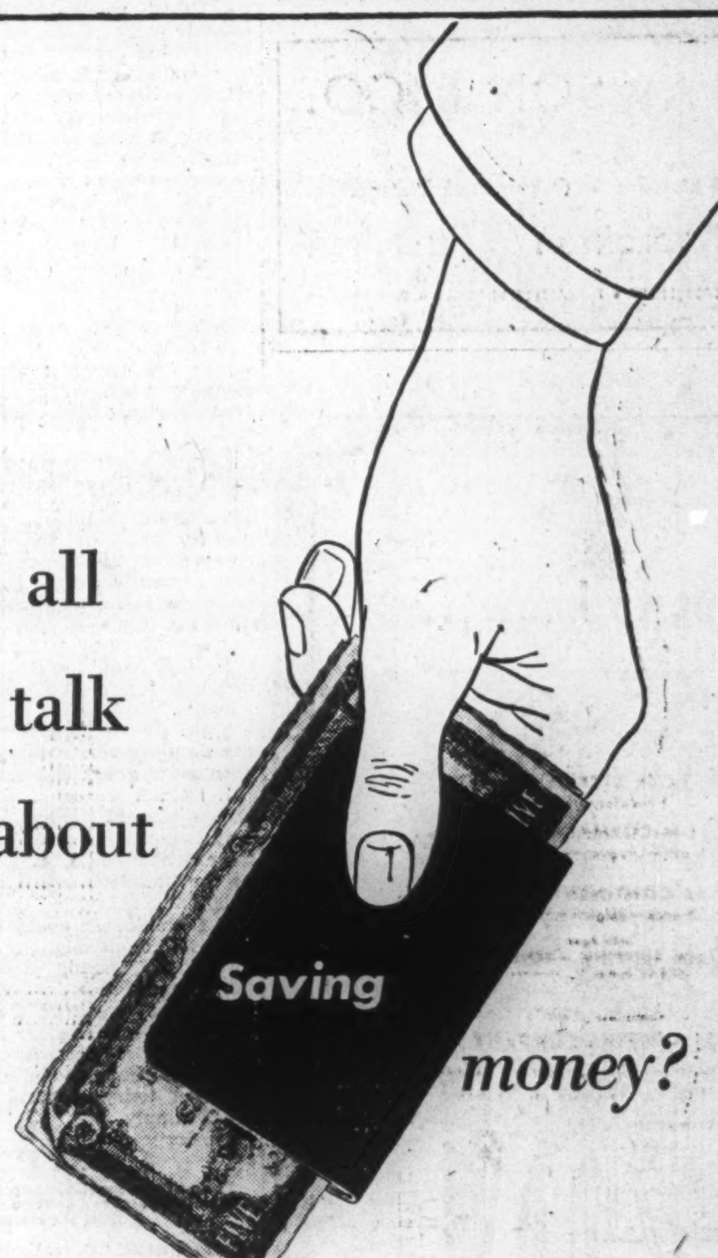

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Position of Chartered Banks of Canada as of January 31, 1948, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada Secured $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits in Canada in currencies other than Canadian $	Deposits Elsewhere $	Bal. due to other Banks in Canada $	Due to banks in U.K. $	Due to Banks Elsewhere $
Montreal	4,629,218	104,110,752	22,502,830	....	545,621,874	920,861,291	14,533,923	134,494,132	2,397,686	12,059,439	29,107,811
Nova Scotia	1,647,913	22,170,372	1,403,831	....	158,966,785	326,663,299	4,618,756	105,859,640	5,339,353	2,137,407	4,386,499
Toronto	657,226	15,311,403	1,991,375	....	110,988,451	280,228,064	947,140	....	356,819	3,663,938	1,371,809
Provincial	342,148	2,607,658	789,829	....	26,234,925	106,807,513	178,116	....	19,838	....	53,572
Commerce	3,778,448	45,499,137	23,964,674	....	384,167,294	728,293,332	6,650,458	99,444,595	2,104,156	8,691,608	10,442,968
Royal	4,650,104	48,241,692	25,531,016	....	545,709,429	819,723,823	44,522,837	376,069,007	1,812	6,500,801	49,843,674
Dominion	668,204	18,523,732	1,859,364	....	98,896,346	186,822,490	6,182,367	9,055,218	3,943,023	1,365,636	1,901,440
Nationale	671,097	4,773,669	2,907,346	....	80,979,158	266,605,380	788,705	....	3,498,871	65,126	1,459,959
Imperial	862,022	14,032,759	23,380,812	....	114,800,118	229,523,893	2,147,474	....	2,322,376	2,941,551	2,944,485
Barclays	83,675	3,727,367	5,898	....	6,937,780	8,476,980	3,301,272	....	110,156	4,610,261	2,172,422
Total	17,990,055	278,998,541	104,336,975	....	2,073,302,160	3,824,001,074	83,771,046	724,922,592	20,094,090	42,085,742	108,688,669

NAME OF BANK	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $	Capital Authorised $	Capital Subscribed $	Last Dividend %	†Loans to Directors and firms of which they are partners $	Greatest Amount of Notes in Circ. $	Bills rediscounted with Bank of Canada $
Montreal	27,441,531	516,657	759,205	44,000,000	36,000,000	1,899,036,354	50,000,000	36,000,000	8	645,463	4,678,843	....
Nova Scotia	31,194,060	570,226	370,190	24,000,000	12,000,000	701,328,337	15,000,000	12,000,000	12*	2,780,118	1,671,268	....
Toronto	5,868,297	30,722	182,208	14,000,000	6,000,000	391,592,459	10,000,000	6,000,000	12	421,756	664,201	....
Provincial	558,720	30,355	13,709	2,000,000	4,000,000	142,630,388	5,000,000	4,000,000	7	23,325	348,233	....
Commerce	47,611,560	718,245	649,023	30,000,000	30,000,000	1,422,016,504	50,000,000	30,000,000	8	750,467	3,823,131	....
Royal	66,445,228	3,010,694	944,474	40,000,000	35,000,000	2,066,194,597	50,000,000	35,000,000	10	1,731,609	4,704,684	....
Dominion	11,225,918	222,901	176,514	10,000,000	7,000,000	357,843,159	10,000,000	7,000,000	10	134,929	676,600	....
Nationale	1,890,648	38,294	158,823	7,000,000	7,000,000	377,832,110	10,000,000	7,000,000	8	147,719	678,977	....
Imperial	8,365,990	176,216	176,429	10,000,000	7,000,000	418,674,111	10,000,000	7,000,000	10	583,827	870,467	....
Barclays	2,218,138	19,426	....	780,000	1,500,000*	33,813,390	1,500,000	1,500,000	....	....	85,695	....
Total	202,820,090	5,323,736	3,425,580	181,780,000	145,500,000	7,811,960,409	211,500,000	145,500,000	....	7,230,17[illegible]	18,201,93[illegible]	....

†And loans for which they are guarantors.

*Plus extra distribution of 20 cents per share

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada $	Gold and Subsidiary Coin held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes and Cheques on Other Banks $	Govt. and Bank Notes other than Canadian $	Balances due by other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Dom. Gov. Short Term Sec. $	Dom. Gov. Long Term Sec. $	Prov. Gov. Short Term Sec. $	Prov. Gov. Long Term Sec. $	Canadian municipal securities $
Montreal*	2,562,673	49,544	34,299,314	165,933,150	65,441,401	1,203,973	235	7,376,954	27,999,084	155,530,700	560,371,262	43,376,688	103,984,302	10,956,159
Nova Scotia	909,716	1,119,068	15,031,724	36,820,517	18,940,788	23,995,400	....	158,979	14,433,865	84,932,796	148,408,650	4,876,185	15,020,462	7,066,203
Toronto	596,361	....	7,118,667	40,815,394	11,618,029	449,395	....	1,727,606	5,116,776	34,436,870	119,493,600	2,727,708	16,446,429	6,512,690
Provincial	657,078	....	3,663,354	8,622,243	5,515,583	116,954	....	24,377	1,433,841	19,155,592	25,714,481	2,078,119	21,715,383	6,389,328
Commerce†	1,662,000	155,046	24,657,041	100,672,742	34,555,696	1,614,039	34,205	1,463,048	27,938,526	93,337,084	472,446,349	16,625,603	51,989,785	21,536,485
Royal	2,880,866	1,944,763	35,299,828	110,611,585	63,457,957	84,972,353	12,590	13,046,074	67,299,800	190,365,196	440,859,857	26,810,720	80,276,512	32,518,026
Dominion	561,559	436	4,545,034	28,069,005	10,255,041	282,851	....	1,082,472	4,332,627	57,342,615	76,139,465	643,749	4,897,014	6,058,510
Nationale	1,265,725	....	13,151,215	22,241,867	11,069,802	453,996	1,461,947	91,416	1,637,395	44,624,275	59,531,921	5,461,355	41,099,412	4,887,970
Imperial	791,508	....	9,282,580	22,631,388	10,533,018	455,552	747,368	795,026	6,803,858	45,828,547	105,560,551	2,570,201	5,736,945	6,429,514
Barclays	5,290	....	172,052	2,204,815	490,019	7,644	199,216	818,313	1,854,787	5,100,672	4,166,758	2,001,296	5,966,251	1,044,034
Total	11,922,061	3,268,857	147,220,809	538,322,706	231,877,334	113,552,157	2,455,561	26,584,265	158,850,559	730,654,347	2,012,692,984	106,691,624	347,132,495	123,988,924

NAME OF BANK	Public Securities other than Canadian $	Other bonds and stocks $	Call and short loans in Canada $	Call and short loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-current loans $	■Real estate other than Bank premises $	Bank Premises $	Deposit of note circulation $	Other assets $	▲Total Assets $
Montreal*	65,273,315	112,288,832	9,362,586	21,176,964	398,517,926	29,447,314	9,734,671	9,308,983	487,324	369,228	13,962,427	272,138	3,360,827	1,909,115,925
Nova Scotia	13,704,037	25,986,607	8,609,040	11,270,360	187,896,797	39,122,096	2,502,297	2,631,285	58,157	10,568	6,573,226	108,351	2,567,556	703,338,705
Toronto	....	17,231,194	5,572,100	....	109,781,408	....	603,704	1,620,854	22,914	8,901	4,202,109	37,263	258,248	392,356,426
Provincial	....	4,757,567	6,856,725	....	30,960,490	....	26,227	3,854,345	19,465	135,143	1,881,618	22,121	118,780	143,977,536
Commerce†	54,686,717	49,021,865	15,366,901	4,294,218	332,951,914	40,155,998	6,695,796	4,448,806	343,008	399,422	15,411,747	250,000	4,251,582	1,424,577,194
Royal	122,507,380	134,521,290	17,624,931	15,238,233	412,039,357	124,442,648	2,993,359	5,732,514	276,716	355,639	19,838,329	265,000	6,511,578	2,069,608,844
Dominion	3,237,763	8,338,427	3,524,844	5,700,327	122,396,516	2,758,173	....	427,482	14,916	25,965	5,573,361	40,668	460,784	358,475,572
Nationale	604,546	13,401,753	3,658,850	....	126,994,892	....	....	8,420,903	16,942	449,909	5,252,379	39,901	460,703	378,299,740
Imperial	....	11,760,056	5,798,474	....	106,760,736	....	187,050	2,693,755	39,441	....	6,056,157	50,077	77,973	419,955,777
Barclays	2,995,130	250,000	355,150	....	2,835,067	....	....	....	320	....	1,219,874	5,538	15,947	33,326,539
Total	263,009,388	377,554,591	76,729,601	57,679,999	1,890,835,123	235,926,229	22,833,104	38,938,927	1,279,408	1,754,795	70,771,227	1,111,076	18,223,957	7,824,682,246

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

■Includes mortgages.

▲Includes $202,820,090 letters of credit outstanding as shown in liabilities.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of The Royal Bank of Canada (France) are included in the above general statement.—Footnote to The Royal Bank of Canada Return.

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PAPER GOODS LIMITED
Branches from Coast to Coast

Volume of Money Up 178% Over Prewar But Down 5½% From Record Level

Canada's Money Supply
Millions of Dollars

	Dec. 31 1939	Peak reached	Jan. 31 1948
Note Circulation	247	1,055	1,028
Coins Outstanding	34	66	65
Total Currency	281	1,121	1,093
Demand Deposits (ch banks)	853	2,316	2,073
Active Savings Deposits	197	619	609
Other Ch Bank Deposits	157	285	214
Total Ch Bank Deposits	1,207	3,146	2,896
Deduct Cheques Issued	136	362	232
Net Total Ch. Bank Deposits	1,071	2,863	2,664
Bank of Canada Other Deposits	18	94	61
Total Money Supply	1,370	4,041	3,818

Canada's money supply between 1939 and the end of January, 1948, increased by almost 180%, figures published by the Bank of Canada, show.

On Dec. 31, 1939, total money supply was estimated at $1,370 millions; at Jan. 31 last it was $3,816 millions, up 178% from 1939, but down 5½% from the peak of $4,041 millions reached at the end of October, 1946.

In his annual report recently, Governor Graham Towers broke down the money supply into two main items: currency and bank deposits. Under currency he includes: Bank of Canada and chartered bank notes as well as coin, in the hands of the public. Under deposits he includes:

Chartered bank deposits, including demand accounts, active savings deposits, "other" chartered bank deposits, exclusive of those of the Dominion Government but including deposits of provincial governments and deposits of Canadian, United Kingdom, and foreign banks; also

Bank of Canada "other" deposits as shown in the monthly summary excluding Dominion Government, chartered bank, and foreign deposits.

From the chartered bank savings deposits he deducts cheques outstanding so there will be no duplication. The amount of these net chartered bank deposits is then included in the total money supply.

Mr. Towers' method of taking only the "active" savings deposits is new. In previous years he included total savings deposits in the money supply. In his last report he said:

"Generally it has been satisfactory to classify bank deposits as 'money' if cheques may be drawn against them. In other countries, this criterion has seemed to work fairly well, because cheques may not be drawn against savings deposits. In Canada, however, cheques are, in practice, drawn freely against savings deposits and this has always posed an awkward problem when trying to assemble volume of money statistics.

"To omit all savings deposits of chartered banks would ignore the obvious fact that, for many people, a savings account is active chequing account, which is very similar to a current deposit. On the other hand, we know from available information that of the total amount on deposit in savings accounts in Canada, much the larger parts is, in practice, inactive.

"Chartered banks pay interest on the minimum quarterly balances in personal savings accounts, i.e., on the sum which has been left undisturbed for the quarterly period; from the amount of interest which is actually paid on this basis as compared with the nominal rate of interest, it is apparent that the aggregate minimum quarterly balances in personal savings are about five sixths of the total of such deposits at the present time."

Accordingly, Mr. Towers feels it is preferable to exclude these minimum quarterly balances on the ground that they are inactive in practice, rather than to include them in the money supply on the ground that they are potentially active because cheques may be drawn against them.

Of the various types of money included in the table, the greatest percentage increase, 316% is in the Bank of Canada and chartered bank notes. During the period the chartered bank note circulation has steadily decreased according to legislation, so that the entire increase has been in the Bank of Canada note issue.

Savings bank deposits, on the new basis, increased 209%, demand deposits 143%. Total deposits rose 150%. Coinage in circulation had the smallest increase at 91%.

A noticeable feature of the table is that in every case the figures, as at Jan. 31, are lower than the peak level, which in most cases occurred in 1946. The high record in currency circulation, however, both coinage and bank notes, occurred in October, 1947.

The Wawanesa
Mutual Insurance Company

Admitted Assets... $6,784,348.81
Surplus 3,180,960.58
Dom. Govt. Deposit 2,378,615.74

Write for Financial Statement

Head Office WAWANESA Man. — Eastern Office TORONTO Ont.
Branches at Vancouver, Saskatoon, Winnipeg and Montreal

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The glitter of gold is obvious enough and gold's place in our economy is assured.

But when it comes to industrial minerals the glitter is absent and the appeal less obvious, because profitable exploitation depends so much upon the ever-changing conditions underlying industrial development. The evolution of new processes, the improvement of existing materials of industry, and the constant search for better substitutes—all have a bearing upon the timing and intensity with which the mining of industrial minerals may be undertaken to advantage.

Success depends upon an appreciation of industrial trends, both here and abroad, and upon digging deeply for the facts.

This Department of the Canadian National Railways has many sources of information, valuable contacts over a wide field of endeavour, and a technical staff ready to co-operate with you.

CANADIAN NATIONAL RAILWAYS
DEPARTMENT OF RESEARCH & DEVELOPMENT
360 McGILL ST., MONTREAL 1, QUE.

BANK OF CANADA

	Mar. 10 1948 $	Mar. 3 1948 $
Capital paid-up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,165,481,420	1,162,185,217
Deposits: Dom.	57,146,597	46,205,212
Chart. banks	531,806,919	521,297,139
Other	70,736,765	78,378,546
Total deposits	659,690,281	645,880,897
Liabs. payable in sterling, U.S.A. and for'n. gold currencies: Deposits	133,599	138,762
All other liabs.	15,725,950	29,366,094
Total liabs.	1,856,081,617	1,852,621,337
Assets		
Sterling & for'n. exchange	133,591	133,591
Other currencies	168,603	187,283
Total	302,194	320,874
Subsid. coin	280,443	268,394
Investments: Dom. govt. sh.	986,589,681	964,115,212
Oth. Dom. gov.	811,552,942	827,300,306
Total invest.	1,798,142,623	1,791,415,518
Ind. dev. bank Total share cap. at cost	25,000,000	25,000,000
Premises	2,406,391	2,403,487
All other assets	29,949,966	33,213,064
Total assets	1,856,081,617	1,852,621,337

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

C. R. MACLAGGAN, to be manager, Pape & Gowan, Toronto.

R. A. McINTOSH, to be accountant, Broadway & Commercial Drive, Vancouver.

• • •

The Bank of Montreal announces the following staff changes:

K. G. MACLUCKIE, accountant, Windsor, Ont., to be manager, Ouellette Ave. & Tuscarora St., Windsor.

H. M. PATON, accountant, St. Antoine & Windsor Sts., Montreal, to be assistant manager, Peel St., Montreal.

J. L. WALKER, assistant manager, Peel St., Montreal, to be assistant manager, University & St. Catherine Sts., Montreal.

N. KJELDSON, assistant manager, University & St. Catherine Sts., Montreal, to be assistant manager, Ottawa.

• • •

The Royal Bank of Canada announces the following staff changes:

F. L. REDDEN, accountant, Sault Ste. Marie, Ont., to be manager, Steelton, Sault Ste. Marie, Ont.

I. E. AUSTMAN, manager, Milden, Sask., to be manager, Shaunavon, Sask.

A. G. ALEXANDER, accountant, St. Catherine & McGill College, Montreal, to be manager, Cote des Neiges & Van Horne, Montreal.

D. M. MARTIN, accountant, New Westminster, B.C., to be manager, Haney, B.C.

W. B. CHARLTON, to be accountant, St. Catherine & McGill College, Montreal.

E. R. RODEN, King & Church, Toronto, to be accountant, Bloor & Dovercourt, Toronto.

V. H. R. GLAZEBROOK, Elmira, Ont., to be accountant, Sault Ste. Marie, Ont.

H. G. HURD, to be accountant, William & Sherbrook, Winnipeg.

R. P. LITTLE, Bay & Temperance, Toronto, to be accountant, Bracebridge, Ont.

R. J. TAYLOR, Prince Albert, Sask., to be accountant, Carlyle, Sask.

BEAULIEU YELLOWKNIFE MINES has received payment for Mar. 14 installment on 50,000 shares at 12 cents. Issued capital—4.8 million shares.

GOLDHAWK PORCUPINE MINES has received payment for an additional 12,500 shares at 10 cents, part of Mar. 30 installment. Issued capital is 3,106,505 shares.

MERCHANTS and manufacturers interested in importing from Australia may order a free copy of this informative booklet from their bankers or direct from:—
BANK OF NEW SOUTH WALES
British & Foreign Department, Sydney, Australia

Canadian Celanese Limited

ANNUAL REPORT—1947

DIRECTORS' REPORT

To the Shareholders of
Canadian Celanese Limited:

We take pleasure in presenting herewith the Annual Report of your Company for the year 1947.

The accompanying Balance Sheet and the related Statements of Income and Expenditure and Earned Surplus have been prepared on a comparative basis showing the position at December 31, 1947 and December 31, 1946, and the result of operations for the years 1947 and 1946. Also included are Statements of Special Surplus and Special Reserve as at December 31, 1947.

Net Profit for the year 1947 amounted to $3,025,461.94 compared with $1,972,310.45 for the year 1946.

Dominion, Provincial and Municipal taxes, paid or provided for and charged against income for 1947, amounted to $2,794,460.95.

Initial operations were commenced at the Company's new plant at Sorel, P.Q., toward the end of 1947. Expansion and improvement of the facilities at the Drummondville plant continued during 1947. Total expenditures for plant and equipment during 1947 amounted to $3,771,582.67 compared with $2,594,663.94 during 1946.

In April, 1947, your Company sold $2,000,000 of 2¼% Serial Debentures and $8,000,000 of 3% Debentures. In addition, 100,000 Preferred Shares, $1.00 Series, were issued. The proceeds were used partly to redeem the outstanding $5,000,000 principal amount of 3½% Debentures due 1959.

Dividends paid during 1947 amounted to $1,628,624.75, of which $853,624.75 was paid to Common Shareholders.

For the Board of Directors,
CAMILLE DREYFUS,
President.

March 2, 1948

COMPARATIVE BALANCE SHEET
as at December 31, 1947 and December 31, 1946

ASSETS	1947	1946
CURRENT:		
Cash on Hand in in Banks	$ 4,574,575.27	$ 894,516.84
Government Bonds and Other Securities, at cost (approximate market value 1947, $6,398,000.00; 1946, $4,994,000.00)	5,393,600.00	4,139,378.15
Trade Debtors, less Reserve	1,093,096.46	1,081,811.62
Other Accounts Receivable and Accrued Interest	37,666.04	33,864.28
Refundable portion of the Excess Profits Tax for 1942, receivable in 1948	221,689.37	—
Inventories of Raw Materials, Supplies, Work in Process and Finished Goods, as determined and certified by the Management and valued at cost or market, whichever was lower	3,237,697.10	2,243,799.03
	14,558,324.24	8,393,369.92
DEFERRED AND PREPAID CHARGES:		
Unexpired Insurance and Taxes and other prepaid expenses	225,692.19	179,079.92
Debenture discount, premium and expenses, less amount amortized	424,606.06	119,489.85
	650,298.25	298,569.77
Securities held for Investment, valued at cost	107,185.63	107,185.63
Refundable portion of Excess Profits Tax, not due within 12 months	1,166,174.81	1,398,385.00
FIXED:		
Real Estate, Plant, Machinery, and Equipment, at cost	22,156,396.99	18,385,986.90
Patents and Trade Marks	1,054,302.37	1,044,517.85
	$39,692,682.29	$29,628,015.07

LIABILITIES	1947	1946
CURRENT:		
Accounts Payable and Accrued Liabilities	$ 739,263.86	$ 557,160.13
Dominion, Provincial and Municipal Taxes	1,184,309.57	971,006.82
Accrued Interest on Debentures	71,835.62	58,732.88
Instalment of 2¼% Debentures payable April 1, 1948	400,000.00	—
	2,395,409.05	1,586,899.83
DEBENTURES AUTHORIZED AND ISSUED:		
2¼% Serial Debentures maturing $400,000.00 annually April 1, 1948 to 1952	2,000,000.00	
Less: Instalment payable April 1, 1948	400,000.00	
	1,600,000.00	
3% Debentures, due April 1, 1962	8,000,000.00	
3½% Debentures, due September 1, 1959, redeemed in 1947	—	5,000,000.00
	9,600,000.00	5,000,000.00
RESERVES:		
For Depreciation of Buildings, Machinery and Equipment	7,275,842.61	6,564,424.07
For Amortization of Patents	808,089.16	745,901.97
Special Reserve	350,000.00	400,000.00
Inventory Reserve	68,000.00	51,000.00
	8,501,931.77	7,761,326.04
CAPITAL STOCK:		
Authorized— 600,000 Preferred Shares, par value $25.00 per share; 750,000 Common Shares, without par value		
Issued and Outstanding— 400,000 Preferred Shares, $1.75 Series (cumulative, redeemable)	10,000,000.00	10,000,000.00
100,000 Preferred Shares, $1.00 Series (cumulative, redeemable), issued April 1, 1947 for cash	2,500,000.00	—
310,409 Common Shares	1,219,045.00	1,219,045.00
SURPLUS ACCOUNTS:		
Distributable Surplus, set aside in 1936 in accordance with the provisions of subsection 7 of Section 12 of The Companies Act, 1934	62,500.00	62,500.00
Special Surplus, being the refundable portion of the Excess Profits Tax not due within 12 months, per Statement attached	1,166,174.81	1,398,385.00
Earned Surplus, per Statement attached	4,247,621.66	2,599,859.20
	$39,692,682.29	$29,628,015.07

Note: Commitments made by the Company as at December 31, 1947 for the construction of Buildings and the purchase of Machinery and Equipment totalling approximately $2,100,000.00 are not reflected in the above Balance Sheet.

Approved on behalf of the Board:
A. SCHWARTZ, Director.
C. W. PALMER, Director.

Submitted with our Report dated February 19, 1948.
P. S. ROSS & SONS
Chartered Accountants.
Montreal, Que.

COMPARATIVE STATEMENT OF INCOME AND EXPENDITURE FOR THE TWO YEARS ENDED DECEMBER 31, 1947

	Year ended December 31 1947	1946
Net Operating Profit before taking up the items below	$6,631,209.50	$4,579,722.65
Income from Investments	149,568.53	178,996.35
Profit on Investment Securities sold	27,660.00	46,250.00
	6,808,438.03	4,804,969.00
Remuneration of Executive Officers and Directors required to be shown separately under Section 113 (2) of The Companies Act	152,273.51	129,546.55
Fees of Directors not included above	13,000.00	12,591.54
Legal Fees	19,200.00	20,160.00
Depreciation of Plant, Machinery and Equipment	712,591.12	610,250.04
Amortization of Patents	12,187.19	12,606.02
Interest on Debentures	272,852.63	175,000.00
Amortization of Debenture discount, premium and expenses	28,871.64	9,433.40
Inventory Reserve	17,000.00	8,000.00
Interest on Income Funding Rights	—	55,071.00
Provision for Income Taxes and Excess Profits Tax	2,555,000.00	1,800,000.00
	3,782,976.09	2,832,658.55
Net Profit for year transferred to Comparative Statement of Earned Surplus	$3,025,461.94	$1,972,310.45

STATEMENT OF SPECIAL RESERVE AS AT DECEMBER 31, 1947

Balance at credit January 1, 1947	$ 400,000.00
Deduct: Amount transferred to Reserve for Amortization of Patients	50,000.00
Balance at credit December 31, 1947	$ 350,000.00

STATEMENT OF SPECIAL SURPLUS (REFUNDABLE PORTION OF THE EXCESS PROFITS TAX) AS AT DECEMBER 31, 1947

Balance at credit January 1, 1947, being the refundable portion of the Excess Profits Tax for the years 1942 to 1945		$1,398,385.00
Deduct:		
Decrease in above amount following assessment of the Company's tax returns to December 31, 1945	$ 10,520.82	
Amount transferred to Earned Surplus Account, being the refundable portion of the Excess Profits Tax for 1942, receivable in 1948	221,689.37	232,210.19
Balance at credit December 31, 1947, being the refundable portion of the Excess Profits Tax for the years 1943 to 1945		$1,166,174.81

COMPARATIVE STATEMENT OF EARNED SURPLUS FOR THE TWO YEARS ENDED DECEMBER 31, 1947

	Year ended December 31 1947	1946
Earned Surplus at beginning of year	$2,599,859.20	$3,470,675.33
Deduct:		
Net cost of redemption of Income Funding Rights on December 30, 1946	2,123.01	1,365,769.12
Net amount refunded to the Government following renegotiation of the Company's war contracts	—	1,334.96
Expenses incurred in connection with the issue of Preferred Shares, $1.00 Series, in 1947	70,855.12	—
	72,978.13	1,367,104.08
	2,526,881.07	2,103,571.25
Add:		
Prior year adjustments— Income and Excess Profits Taxes, $107,214.03, less Municipal Taxes, $5,000.00	102,214.03	—
Amount transferred from Special Surplus Account, being the refundable portion of Excess Profits Tax for 1942, receivable in 1948	221,689.37	—
Net Profit for year transferred from Comparative Statement of Income and Expenditure	3,025,461.94	1,972,310.45
	3,349,365.34	1,972,310.45
	5,876,246.41	4,075,881.70
Deduct: Dividends Paid:		
Preferred Shares— $1.75 Series, for the year ended December 31	700,000.00	700,000.00
$1.00 Series, for the nine months ended December 31, 1947	75,000.00	—
Common Shares— $2.75 per share in 1947 and $2.50 per share in 1946	853,624.75	776,022.50
	1,628,624.75	1,476,022.50
Earned Surplus at end of year	$4,247,621.66	$2,599,859.20

AUDITORS' REPORT TO THE SHAREHOLDERS

Canadian Celanese Limited,
Montreal.

We have examined the accompanying Balance Sheet of Canadian Celanese Limited as at December 31, 1947 and the related Statements of Income and Expenditure and Earned Surplus for the year ended on that date. In connection therewith, we have examined or tested accounting records of the Company and other supporting evidence and have obtained all the information and explanations we have required, but we have not made a detailed audit of the transactions.

In our opinion, the accompanying Balance Sheet and related Statements of Income and Expenditure and Earned Surplus are properly drawn up so as to exhibit a true and correct view of the financial position of the Company as at December 31, 1947 and the result of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

P. S. ROSS & SONS,
Chartered Accountants.

February 19, 1948.

DIVIDEND NOTICES

THE DOMINION BANK
DIVIDEND NO. 262

Notice is hereby given that a dividend of two and one-half per cent (twenty-five cents per share) upon the paid-up capital stock of this Bank has been declared for the quarter ending 30th April, 1948. The dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the first day of May, 1948, to shareholders of record of the 15th April, 1948.

By Order of the Board.
ROBERT RAE,
General Manager.
Toronto, 11th March, 1948.

STELCO

THE STEEL COMPANY OF CANADA, LIMITED
PREFERENCE DIVIDEND No. 147

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Preference Shares of the Company has been declared for the quarter ending March 31, 1948, payable May 1, 1948, to shareholders of record at the close of business April 1, 1948.

By Order of the Board,
H. S. ALEXANDER,
Secretary.
Hamilton, Canada, March 11, 1948.

STELCO

THE STEEL COMPANY OF CANADA, LIMITED
ORDINARY DIVIDEND No. 125

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Ordinary Shares of the Company has been declared for the quarter ending March 31, 1948, payable May 1, 1948, to shareholders of record at the close of business April 1, 1948.

By Order of the Board,
H. S. ALEXANDER,
Secretary.
Hamilton, Canada, March 11, 1948.

Ad. No. 4809
1 col. x 60 lines
1948

TIP-TOP CANNERS, LIMITED
Class A Shares Dividend No. 8

NOTICE is hereby given that a dividend of twenty-five cents (25c) per share has been declared on the outstanding Class A Shares of the Company for the half year ending March 31st, 1948, payable April 1st, 1948, to shareholders of record at close of business March 20th, 1948.

By Order of the Board.
F. W. FURLONG,
Assistant Secretary.
Dated at Greensville,
March 9th, 1948.

AUTO FABRIC PRODUCTS COMPANY LIMITED

NOTICE IS HEREBY GIVEN that a dividend of 15 cents per share on the Class "A" Shares of No Par Value of the Capital Stock of the Company has been declared for the quarter ending March 31, 1948, payable April 1, 1948, to shareholders of record at the close of business March 15, 1948.

In addition a participating dividend of 10 cents per share on the Class "A" Shares of No Par Value of the Capital Stock of the Company has been declared for the period from January 1, 1947, to December 31, 1947, payable April 1, 1948, to shareholders of record at the close of business March 15, 1948, being payment in full of the participating dividend on the Class "A" Shares for this period.

NOTICE IS ALSO HEREBY GIVEN that a dividend of 19 cents per share on the Class "B" Shares of No Par Value of the Capital Stock of the Company has been declared for the quarter ending March 31, 1948, payable April 1, 1948, to shareholders of record at the close of business March 15, 1948.

By Order of the Board,
MARTIN TAIGER,
Secretary-Treasurer.
Montreal, March 8, 1948.

The Murphy Paint Company Limited

The following quarterly dividend has been declared by the Board of Directors, payable 31st March, 1948, to shareholders of record at the close of business on 15th March, 1948.

Common Stock — Twenty cents ($0.20) per share on the No Par Value shares.

R. L. TOD,
Secretary-Treasurer.
MONTREAL,
20th February, 1948.

QUEBEC POWER COMPANY

NOTICE is hereby given that a dividend of twenty-five cents (25c) per share has been declared on the no par value common shares of the Company for the quarter ending March 31, 1948, payable May 25, to shareholders of record April 15, 1948.

By Order of the Board.
H. G. BUDDEN,
Secretary.
Montreal, March 10, 1948.

WESTERN BREWERIES LIMITED
NOTICE OF DIVIDEND

NOTICE is hereby given that a quarterly dividend of forty cents (40c) per share has been declared on the outstanding no-par-value shares of the issued capital stock of this Company, payable on the fifteenth day of April, 1948, to shareholders of record as at the close of business on the thirty-first day of March, 1948.

By Order of the Board of Directors.
A. C. JEFFERYS,
Secretary-Treasurer.
Winnipeg, Manitoba,
10th March, 1948.

ATLAS STEELS LIMITED

Notice is hereby given that a quarterly dividend of Twenty-five cents (25c) per share on the Common No Par Value shares of the Company has been declared and the same will be payable on the first day of May, 1948, to shareholders of record at the close of business on the fifteenth day of April, 1948.

By Order of the Board,
A. G. HOWEY,
Secretary.
Dated at Welland, Ontario,
March 8th, 1948.

DIVIDEND NOTICES

The Canadian Bank of Commerce
DIVIDEND NO. 245

NOTICE is hereby given that a DIVIDEND OF TWENTY CENTS per share on the paid-up Capital Stock of this Bank has been declared for the quarter ending 30th April, 1948 and that the same will be payable at the Bank and its Branches on and after Saturday, the First day of MAY next, to Shareholders of record at the close of business on 31st March, 1948. The Transfer Books will not be closed.

By Order of the Board,
JAMES STEWART,
General Manager.
Toronto, 12th March, 1948.

MONTREAL TRAMWAYS COMPANY
ANNUAL GENERAL MEETING

NOTICE is hereby given that in accordance with the By-laws of the Company, the Annual General Meeting of the Shareholders of Montreal Tramways Company will be held at the Company's offices, Tramways Building, 159 Craig Street West, Montreal, P.Q., at 12 o'clock noon, on Thursday, the 29th day of April, 1948. This meeting will be held for the reception of the Annual Report, Election of Directors, and the transaction of such other business as may legally come before said meeting.

The Transfer Books will be closed from the 9th day of April, 1948, to the 28th day of April, 1948, both days inclusive.

By Order of the Board,
T. D. ROBERTSON,
Secretary-Treasurer.
Montreal, February 20th, 1948.

The Toronto Mortgage Company
QUARTERLY DIVIDEND

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on

1st April, 1948,

to shareholders of record on the books of the Company at the close of business on the 15th instant.

By Order of the Board,
PHILIP SIMMONDS,
Manager.
4th March, 1948.

Kirkland Lake Gold Mining Co. Ltd.
(No Personal Liability)
DIVIDEND NO. 27

A semi-annual dividend of two cents per share on the outstanding capital stock of the Company has been declared payable May 1st, 1948, to shareholders of record March 25th 1948.

Taxes imposed on shareholders' dividends will be deducted where applicable.

By Order of the Board,
H. F. CASSIDY,
Secretary-Treasurer.
Toronto, February 20th, 1948.

The Hamilton Cotton Company Limited
DIVIDEND NOTICE

Notice is hereby given that a Dividend of 22½ cents per share on the outstanding Common Shares of the Company has been declared for payment June 1st, 1948, to Shareholders of Record at the close of business May 10th, 1948.

By Order of the Board,
E. GLOVER HOWE,
Sec.-Treas.
Dated at Hamilton, Ont.,
March 15th, 1948.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED
DIVIDEND NO. 125

A special dividend of 87½ cents a share has been declared on the outstandng no par vaue Common Stock of this Company payable Thursday, April 15, 1948 to shareholders of record at the close of business on Friday, March 19th.

By Order of the Board.
A. H. STUART,
Secretary.
Walkerville, Canada,
February 27, 1948.

BRITISH COLUMBIA POWER CORPORATION, LIMITED
DIVIDEND No. 79

NOTICE is hereby given that a dividend of Forty cents (40c) per Share on Class "A" Shares has been declared for the three months ending March 31st, 1948, payable by cheque dated April 15th, 1948, to shareholders of record as at the close of business on March 31st, 1948. Such cheques will be mailed on April 15th, 1948, by the Montreal Trust Company from Vancouver.

By Order of the Board;
J. A. BRICE;
Secretary.
Vancouver, B.C.
March 9th, 1948.

AGNEW-SURPASS Shoe Stores Limited
DIVIDEND NO. 36

A dividend of Thirteen Cents (.13c) per share on all issued Common Shares of the Company has been declared payable June 1, 1948, to Shareholders of record as at the close of business April 30, 1948.

By Order of the Board,
K. R. GILLELAN,
Secretary-Treasurer.
Brantford, Ont., March 11th, 1948.

ESSEX PACKERS LIMITED

NOTICE IS HEREBY GIVEN THAT the Seventh regular quarterly dividend of 1¼% (being at the rate of 5% per annum) for the period ending April 2nd, 1948, has been declared on the outstanding First Preference shares of the Company, payable April 2nd, 1948, to shareholders of record at close of business March 15th, 1948.

AND THAT a dividend of 5% per annum for the fiscal year ending March 31st, 1948, has been declared on the outstanding Second Preference shares of the Company, payable April 2nd, 1948, to shareholders of record at close of business March 15th, 1948.

By Order of the Board.
C. J. McKEE,
Secretary-Treasurer.
Hamilton, March 11th, 1948.

PROVINCIAL PAPER LIMITED

Notice is hereby given that Regular Quarterly Dividend of 1% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable March 15th, 1948, to shareholders of record at close of business March 5th, 1948.

(Signed) W. S. BARBER,
Secretary-Treasurer.

Farmer Income At Peak in '47

OTTAWA (Staff) — Canadian farmers rolled up their highest total of cash receipts and farm income in 1947. The actual DBS figure (including supplementary payments such as prairie farm assistance, etc.) is $2,002 millions, 13.1% above the $1,770 millions of 1946. (Previous high was $1.846 millions in 1944.)

Here is how the income was distributed, with comparative figures for 1946.

Cash Income From Sale of Farm Products
(Thousands of Dollars)

Grains, Seeds & Hay:	1947	1946
Wheat	347,096	343,865
Wheat partic. certif.	73,822	39,240
Oats	63,307	58,685
Barley	67,032	38,720
Barley adjust. payt.	5,299	......
Rye	32,373	10,915
Flax	45,584	15,365
Corn	6,258	3,204
Clover & grass seed	8,398	10,491
Hay & clover	9,517	5,632
Total	654,686	526,117
Vegetables & Other Field Crops:		
Potatoes	41,259	44,529
Vegetables	45,605	47,420
Sugar beets	8,833	7,540
Tobacco	48,369	35,181
Fibre flax	783	857
Total	144,849	135,527
Livestock:		
Cattle & calves	255,947	276,915
Sheep & lambs	12,627	14,814
Hogs	248,049	204,469
Horses	7,639	7,545
Poultry	65,812	70,886
Total	590,074	574,629
Dairy products	324,394	286,399
Fruits	48,868	47,736
Eggs	103,857	85,936
Wool	2,573	2,872
Honey	7,611	4,568
Maple Products	9,544	4,257
Misc. farm products	32,529	28,897
Forest products sold off farms	55,414	45,285
Fur farming	16,220	10,459
Cash income from farm products	1,990,619	1,752,682
Supplementary payts. (P.F.A., WAR)	11,576	16,950
Total cash income	2,002,195	1,769,632

Broken down by provinces, the record is as follows:

Farm Income by Provinces*
(Millions of Dollars)

	1947	1946
Prince Ed. Island	19.0	17.2
Nova Scotia	33.1	34.2
New Brunswick	38.3	35.9
Quebec	295.8	251.9
Ontario	546.3	472.9
Manitoba	185.9	170.8
Saskatchewan	434.1	399.2
Alberta	345.5	285.0
British Columbia	92.7	85.6
Total for Canada	1,990.6	1,752.7

*Not including supplementary payments.

What Price EconomicUnion

(Continued from page 17)

and direct trade arrangement, aimed to remove tariff barriers on a number of items where Canadians could expand their market in the U. S.

Invisible tariffs are the antiquated, reprehensible and absurd procedures and practices wound around customs regulations and administration (The Financial Post, Oct. 5, 1946).

A recent example is the adding of 25% domestic excise tax onto the duty value of Canadian goods entering the U. S. Another example is the Nova Scotia apples which were turned back because each tissue wrapping had not been individually stamped "Made in Canada.'

More Delay Seen

Canada fought the battle for customs reform around conference tables in London and Geneva some months ago. She got unanimous approval from the 17 nations represented there. She brought about a considerable if not complete change of heart in the U. S. attitude.

Unfortunately the Geneva code has not yet reached the floor of Congress. What now appears likely is that the United States may take no action prior to the forthcoming election. That means another year of delay and obstruction.

The other avenue for immediate action is the Canadian demand for further direct reciprocal trade negotiations following the Geneva tariff concessions.

Take the case of the fine paper industry. Nothing was done at Geneva to change the prohibitive tariff which now bars Canadian fine papers from entering U. S. Yet many Canadians believe that free entry of fine papers from Canada into the U. S. would open up the greatest new single avenue of opportunity for Canada since the removal of the newsprint tariff in 1911.

In this case, Canada has the natural resource. She has shown her ability to match American skill and enterprise in developing that resource—given opportunity of an enlarged market. The willingness of negotiators and legislators at Washington to discuss this and similar situations is something which brooks no delay and which is a quick and relatively easy step toward greater integration of the two economies.

Talk of "customs union now" is premature. To press for it would rouse opposition and dissention; would postpone or wipe out the opportunity for immediate improvement in Canada-U. S. economic relations.

Canada hasn't yet come to the "fork in the road." But she does want improved economic delations along the 49th parallel NOW.

DIVIDEND NOTICES

DIVIDEND NOTICE

T. H. Estabrooks Co. Limited
"Red Rose Tea and Red Rose Coffee"

Notice is hereby given that the quarterly dividend (26 cents per share) on the 4.16% Cumulative Redeemable Sinking Fund Preferred Shares (par value $25.00 per share) of the Company has been declared payable April 15, 1948 to shareholders of record at the close of business March 20, 1948.

By Order of the Board
M. L. CHAPMAN,
Secretary-Treasurer.
Saint John, March 5, 1948.

55 New Industries Bring Alberta $20 Millions Capital

From Our Own Correspondent

EDMONTON — An estimated $20 million capital investment is represented in 55 new industries which were established or under construction in Alberta last year, Trade and Industry Minister C. E. Gerhart announced here. He did not designate the industries, but said they would give employment to more than 1,200 men and women.

The Minister warned that an "unco-operative minority of employers and labor" might cause the Government to take sterner measures to ensure industrial harmony in the province. He termed present legislation "benevolent" and said it was "based on guiding principles, rather than compulsory procedure."

He said that 121 applications for certification of unions as bargaining agents were received in 1947 by the Board of Industrial Relations. Of these, 17 were refused after thorough investigation.

He said the Board was asked to conciliate in only 34 cases where agreements could not be reached. The conciliation commissioners failed in 21 of these disputes and arbitration boards were established. Thirteen resulting awards were accepted by both sides, five were rejected by one or the other, and were followed by three legal and two illegal strikes.

Farm Mortgage Body Collects Long-due Loans

From Our Own Correspondent

WINNIPEG — The Manitoba Farm Loans Association, a venture in government mortgage loans, launched during World War I, which threatened losses of millions to the province, is gradually being liquidated. Buoyancy of farm revenues during and since World War II, enabled the organization to collect nearly $8 millions of its accounts up to March 31, 1947, with further substantial payments since that date.

For years the Association has made no new loans. At March 31, 1947, it had on its books 310 outstanding mortgages and 303 agreements. It also had 193 farms, the balance of those which reverted to it through tax sales and mortgage foreclosures in days when farmers couldn't pay their interests and taxes.

At start of the Association's 1941-42 year it had 1,162 mortgages, 657 agreements for sale, and 641 farms. It made as much as possible of the real estate holdings pay their way by crop leases through the war years, and sold 448 of its farms, many for cash.

For the 11-month period ended last March 31, and covered by its most recent report, 126 mortgages were paid in full. Farmers also paid up on 116 agreements for sale, while 66 new ones were made. One hundred and ten farms were sold (44 for cash), sales averaging $14.19 an acre.

Current value of outstanding mortgages and agreements and of the real estate the association has left is $1,543,225.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

INTERNATIONAL NICKEL CO. OF CANADA realized an increase in common earnings to $2.16 a share in 1947 ($1.90 in 1946). Fourth quarter profits equalled 65 cents a share or an annual rate of $2.60 per annum.

Working capital established an all-time high of $144.1 millions, an increase of approximately $6.1 millions over the previous year.

Sales of nickel in all forms were the highest of any peacetime year at 205.3 million lb., an increase of 4.2 million lb. over 1946. Copper sales at 220.7 million lb. were the highest of the postwar period and 70.9 million lb. higher than in 1946. Sales of platinum metals were off sharply at 191,761 oz. (320,794 oz. in 1946). Silver sales were somewhat higher while gold sales were lower.

President Robert C. Stanley states that the need for nickel and nickel alloys for projects laid aside during the war and for peacetime restoration is a continuing one and that mine exploration and mine development are being accelerated to assure that anticipated demands may be met. "Improvements in our smelters, refineries and rolling mills are being made in accordance with dictates of production requirements, experience and research."

Proven ore reserves moved higher totaling 221,843,000 tons containing 7,171,000 tons of nickel-copper at the end of 1947 compared with 217,142,000 tons of ore and 6,861,000 tons of nickel-copper at the end of 1946. Ore mined moved up 400,000 tons to 10,406,644 tons in 1947. Increase in ore reserves reflects a step-up in development footage from 48,673 ft. in 1946 to 54,790 ft. in 1947.

Completion of the new process plant at Copper Cliff was again delayed by deferred deliveries of materials and manpower shortages. It now seems assured that the various units of this plant will be ready for operation prior to year end, the management states.

CONSOLIDATED INCOME ACCOUNT

Years Ended Dec. 31:	1947 $	1946 $
Net sales	166,362,873	133,114,941
Less: Costs & exp.	102,920,920	84,797,936
Net op. prof.	63,441,953	48,317,005
Add: Other inc.	1,120,924	1,314,399
Net earnings	64,562,877	49,631,404
Less: Tax res.	17,480,168	10,246,531
Depr. & depl.	7,633,460	7,089,057
Retire. res.	2,945,783	2,614,464
Other res.	3,000,000	......
Net profit	33,503,466	29,681,352
Less: Pf. divds.	1,933,899	1,933,899
Com. divds.	29,156,338	23,325,070
Surplus for yr.	2,413,229	4,422,383
Earnings per Share and Dividend Record:		
Pref.: Earned	121%	107%
Paid	7%	7%
Com.: Earned	$2.16	$1.90
Paid	1.60+0.40	1.60

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & dep.	$80,035,067	$67,791,701
Govt. secs.*	16,789,758	26,613,635
Accts., bills rec.	16,383,931	15,912,601
Inventories	53,916,223	44,658,827
Total curr. assets	167,124,979	154,976,764
Rec. from USSR'	10,499,850	13,833,200
Prep. ins., etc.	281,379	184,387
Ret. res. secs.†	10,501,716	13,286,112
Misc. invests.	580,546	635,237
Properties▲	120,888,618	118,953,282
Total assets	309,877,088	301,368,982
Accts. pay.	9,092,739	6,766,751
Taxes rec.	13,453,556	9,730,477
Pref. divd. res.	483,474	483,474
Total curr. liab.	23,029,769	16,980,702
Retire. res.	10,501,925	13,297,439
Cont., ins. res.	14,932,931	12,092,018
Pref. stock	27,627,825	27,627,825
Com. stock	60,766,771	60,766,771
Capital surplus	60,606,500	60,606,500
Earned surplus	92,411,367	89,997,727
Surp. re Finland property'	20,000,000	20,000,000
▲After depr. & depl. of	142,097,686	135,966,061
*Mkt. value	16,913,000	26,817,000
†Mkt. value	10,514,000	13,393,000
'Finland prop. trans. to USSR in 1944.		
Working capital	144,095,210	137,996,062

J. S. MITCHELL & CO. 1947 net profit was up 66%. Volume of business was considerably larger than in the previous year, despite the large number of articles in short supply. The $24,000 4½% 10-year serial debentures which matured June 1, 1947, were redeemed leaving $96,000 outstanding.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$516,847	$353,057
Less: Deprec.	13,149	9,361
Debent. int.	4,768	5,848
Income tax	249,245	187,478
Net profit	249,685	150,370
Less com. divds.	71,250	37,500
Surplus for year	178,435	112,870
Times Debent. Int. Earned:		
Before deprec.	108.40	60.37
After deprec.	105.64	58.77
Earnings per Share and Dividend Record:		
Common	$16.65	$10.02
Paid	4.75	2.50

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$505,547	$471,597
Accts., etc., rec.	517,003	310,540
Inventories	624,146	470,155
Life ins., c.s.v.	61,729	68,071
Sundry invest.	5,000	5,000
Total curr. assets	1,713,425	1,325,372
Misc. assets▲	123,309	117,126
Fixed assets, less depr.	322,902	305,670
Total assets	2,159,636	1,748,168
Total curr. liab.	728,782	475,045
Funded debt	96,000	120,000
Capital stock	340,445	340,445
Surplus▲	994,409	812,678
▲Incl. ref. EPT	112,565	112,565
Working capital	984,643	850,327

EASTERN STEEL PRODUCTS net profit for the year ended Nov. 30, 1947, was up 38.8%. Sales established a new high level. Continuous maintenance and improvement of the plant and equipment made possible the sustained high level of production.

An extension to the existing plant of W. D. Beath & Son, when completed, will add approximately 9,500 sq. ft. of space for storage of raw steel and for various primary steel metal operations.

While there was some improvement in the supply of raw material, this was somewhat offset by the fact that inventories still remained in an unbalanced condition. A slight increase in the quantity of materials available is expected in 1948, but the greatest improvement is anticipated from better balanced inventories.

There is a large volume of orders on the books and if supply of materials continues to improve, outlook appears very favorable, particularly in view of improved operating efficiency and productive capacity of the plants.

Operations of the company's two subsidiaries, A. B. Ormsby Co. and W. D. Beath & Son, were merged with the operations of the parent company, and now constitute the Toronto Division of Eastern Steel Products.

CONSOLIDATED INCOME ACCOUNT

Years Ended Nov. 30:	1947	▲1946
Net oper. profit	$715,516	$454,655
Add: Prof. Assets sold	2,223	14,042
Inc. life ins. c.s.v.	1,508	3,555
Less: Deprec.	62,028	52,282
Debent. int.	54,761	......
Inc. tax res.♦	276,000	178,500
Min. int.	......	6,333
Net profit*	326,458	235,137
Less: Pref. divds.	......	796
Com. divds.	172,886	172,887
Surplus for year	153,572	61,454
♦Incl. ref. EPT	......	1,000

▲Incl. 11 mos. profit of W. D. Beath & Son.
*Note: Co's. report includes ref. EPT in net profit and surplus for year.

Earnings per Share and Dividend Record:		
Pref.: Paid	†	†$0.25
Common	$1.13	0.81
Paid	0.60	0.60

†Pref. shares redeemed Jan. 1, 1946.
Note: Earnings include profit on invest. and assets sold amounting to 1c in 1947, 5c in 1946.

CONDENSED CONS. BALANCE SHEET

As at Nov. 30:	1947	1946
Cash & Dom. bds.	$162,735	$541,653
Other investa.	24,873	34,873
Accts. rec.	747,731	432,234
Inventories	1,493,305	1,136,250
Total curr. assets	2,428,644	2,145,010
Prep. exp., etc.§	39,623	38,528
Misc. assets▲	575,045	508,559
Fixed assets*	3,352,106	3,314,994
Total assets	6,395,418	6,007,091
Total curr. liab.	866,677	692,729
Funded debt	1,680,000	1,460,000
Min. int.	......	156,749
Exc. app. val.	1,883,787	1,886,231
Inventory res., etc.	50,000	50,000
Capital stock	990,532	990,532
Earned surplus♦	924,422	770,850
*After depr. of	62,028	......
▲Incl. ref. EPT	340,644	371,500
♦Incl. ref. EPT	371,500	371,500
§Incl. in curr. assets in co's. report.		
Working capital	1,561,967	1,452,281

JOHN BERTRAM & SONS CO. shipments in 1947 were 50% higher than in 1946, but there is still capacity for further increase in production of both the Bertram and Pratt & Whitney plants, President H. G. Bertram states. Net profits finished substantially higher at $244,811.

Raw materials, such as pig iron, steel scrap, continue in short supply. Electric motors and controls, which depend on units from United States plants, are still purchased on a long-term basis. Domestic business for both machine tools and other machinery has been quite satisfactory, and company backlog is sufficient to keep plants occupied for six or eight months, the president adds.

Contemplated switch-over by Hydro from 25- to 60-cycle will be welcomed, as it will simplify designing problems and give added scope in choice of motor speeds and use of multi-speed motors, the report states. No major extensions are planned for plant or machinery this year.

The company has received an encouraging number of foreign orders, including a substantial contract from South America.

PROFIT AND LOSS ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$549,387	$311,004
Less: Deprec.	164,576	123,701
Taxes reserve	140,000	70,207
Org. exp.	......	3,308
Net profit	244,811	113,788
Less: Com. divds.	......	18,000
Cl. A divds.	48,000	24,000
Cl. B divds.	24,000	......
Surplus for year	172,811	71,788
Earnings per Share and Dividend Record:		
Class A	$5.10	$2.37
Paid	1.00	0.50
Class B	0.82	0.27
Paid	0.10	....
Com. (old): Paid	....	0.15+0.15

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$324,496	$423,386
Invests., cost	356,318	169,730
Accts. rec.	577,738	474,408
Inventories	1,739,807	2,316,788
Total curr. assets	2,998,359	3,384,312
Misc. assets▲	513,875	399,829
Fixed assets*	784,883	928,001
Total assets	4,297,117	4,712,142
Accts. & tax. pay.	320,735	312,285
Adv. pay'ts. rec.	612,500	1,216,523
Total curr. liab.	933,235	1,528,808
Capital stock	300,000	300,000
Capital surplus	6,297	6,297
Earned surplus▲	3,057,585	2,877,037
*After depr. of	3,453,799	3,292,741
▲Incl. ref. EPT	190,292	190,292
Working capital	2,065,124	1,855,504

FRANK W. HORNER LTD., Montreal, 1947 net profit was off 42.9%. While sales were not at the high level of 1946 they were satisfactory, it was said. Rising costs of raw materials and labor, coupled with prices which could not readily be increased, served to reduce profit. Certain inventory losses, particularly on animal glands, had the effect of further reducing these profits.

World-wide shortage of U. S. dollars is impeding the company's efforts to expand its export business, although it is hoped that 1948 will see exports increased.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$115,309	$215,418
Less: Deprec.	19,064	16,608
Bond interest	3,000	......
Income taxes	37,478	101,104
Net profit	55,767	97,706
Less: Divds.	33,776	36,312
Surplus for year	21,991	61,394
Earnings per Share and Dividend Record:		
Class A†	$0.99	$1.73
Paid	0.50	0.12½
Class B†	0.50	1.25
Paid	0.10	0.10
Class A‡	§	0.87
Class B‡	§	0.87

†Before (‡after) participation.
§No earnings available for participation.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$1,391	$870
Accts. rec.	309,898	231,210
Inventories	202,877	226,918
Total curr. assets	514,166	458,998
Prep. & def. chgs.▲	46,949	44,192
Fixed assets*	394,170	278,900
Total assets	955,285	782,090
Total curr. liabs.	183,604	208,508
Funded debt	180,000	......
Capital stock	282,200	282,200
Earned surplus▲	309,481	291,382
*After depr. of	125,761	107,543
▲Incl. ref. EPT	32,917	32,943
Working capital	330,562	250,490

HALLNOR MINES experienced a decline in earnings to 27 cents a share in 1947 (40 cents in 1946) reflecting a drop in average recovery from $17.23 to $12.04 a ton not completely offset by higher tonnage milled.

The west drift on the 2,760-ft. level has just reached the location of the new ore zone previously indicated by drilling from the 2,160-ft. level but no results are available as yet, President J. Y. Murdoch reports.

Although no new ore was placed in sight during the year, ore reserves dropped only 30,700 tons despite milling of 122,272 tons because of the increased widths taken in stopes for additional ore mined.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Metal recoveries	$1,471,663	$1,935,928
Inc. from investa.	89,297	76,339
Total revenue	1,560,960	2,012,267
Less: Oper. expe.	825,235	801,278
Operating profit	735,725	1,210,989
Less: Depreciation	14,620	82,180
Def. devel. w/o	......	......
Taxes	181,659	336,584
Net profit	539,446	792,225
Less: Dividends	560,000	720,000
Surplus for year	*20,554	72,225
*Deficit.		
Earnings per Share	$0.27	$0.40
Paid	0.28	0.36

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$547,481	$962,437
Accts. rec.	36,992	28,549
Stores	199,021	185,464
Total curr. assets	773,494	1,176,450
Mkt. secs., cost*	2,484,560	2,229,085
Prep. & def. chgs.	13,869	7,159
Mining properties	362,500	362,500
Plant & equip.▲	38,531	38,848
Disc. on shs.	......	662,500
Total assets	3,672,984	4,476,542
Accts. & tax. pay.	167,008	289,817
Other curr. liab.	17,950	15,675
Total curr. liab.	184,958	305,492
Capital stock	2,000,000	2,000,000
Less: Disc. on shs.	662,500	......
Earned surplus	2,150,496	2,171,050
▲After depr. of	1,088,169	1,073,550
*Market value	2,570,716	2,330,371
Working capital	588,536	870,958

OPERATING STATISTICS

	1947	1946
Tons milled	122,272	112,357
Average recov.	$12.04	$17.23
Ore reserves, tons	444,625	475,321
Grade ($35 gold)	$10.20	$11.90

PICCADILLY PORCUPINE GOLD MINES has received payment for Mar. 7 underwriting of $12,500 for 125,000 shares at 10 cents. Issued capital—2,868,156 shares.

BUFFALO RED LAKE MINES Mar. 1 installment of 200,000 shares at 50 cents has been extended for one month.

STOVEL PRESS LIMITED

Notice is hereby given that a quarterly dividend of twelve and one-half cents (12½c) per share has been declared on the outstanding 5% cumulative redeemable convertible preferred shares of the par value of $10 each in the capital stock of Stovel Press Limited payable on April 15, 1948, to shareholders of record at the close of business on March 31, 1948.

Dated at Winnipeg this 25th day of February, 1948.

HARRY C. STOVEL,
Secretary-Treasurer.

Grain Prices

Winnipeg Grain Futures
Week to Mar. 15, 1948

Crop year from Aug. 1, 1947 High	Low		High for week	Low for week	Close Mar. 15
		Oats			
.95¼	.72	May	.79¾	.75⅞	.78¾
.95½	.68½	July	.76⅝	.73½	.76⅛
.82⅞	.66⅝	Oct.	.73¼	.71⅛	.73¼
		Barley			
1.36⅝	1.07⅝	May	1.14	1.07⅝	1.11⅝
1.31¾	1.02¼	July	1.08¼	1.02¼	1.06⅛
1.25¾	.98½	Oct.	1.03⅜	.98½	1.02
		Rye			
4.33	3.60	May	3.94½	3.68½	3.94½
3.93½	3.01	July	3.15½	3.01¼	3.15½
3.05¼	1.68	Oct.	1.85	1.68	1.83

Cash Quotations
For Week

	Mar. 15 High	Mar. 15 Low	Prev. Week High	Prev. Week Low
Oats				
2 C. W.	.81⅜	.79⅝	.83⅛	.80⅝
3 C. W.	.76	.73⅞	.77⅝	.74⅝
Barley				
1 Feed	1.08	1.04⅛	1.13	1.06¼
2 Feed	1.06½	1.03	1.11⅛	1.04⅜
Rye				
2 C. W.	4.14½	3.84	4.00	3.88⅝

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Grain Merchants Shippers and Exporters
HEAD OFFICE WINNIPEG MANITOBA
OFFICES THROUGHOUT CANADA

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THE ST. LAWRENCE FLOUR MILLS COMPANY, LIMITED
MONTREAL
Millers of the following well known brands of flour!
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Millers of
FIVE ROSES FLOUR
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WESTERN OFFICE Winnipeg, Man.
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Also Manufacturers of
MASTER Feeds, Linseed and Soy Oils and Meals

THE CANADIAN CONSOLIDATED GRAIN COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

WESTERN SAVINGS & LOAN ASSOCIATION
HEAD OFFICE WINNIPEG
FIRST MORTGAGE LOANS
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N. M. PATERSON & COMPANY LTD.
Own and Operate
Terminal Elevators in Fort William
109 Country Elevators
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31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
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436 COUNTRY ELEVATORS THROUGHOUT THE WEST
113 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

Leftwing Control of Smelter Union Challenged by Communist Foes

A showdown over leftwing control of the CIO Mine, Mill Smelters Union in Northern Ontario gold mines appeared imminent this week.

The anti-Red revolt, simmering and seething for a long time, had been brought to a near boil by the Government's immigration ban.

This week the Smelter union pot was ready to bubble over. In an attempt to put down the revolt against Red dictatorship, two anti-Communist officials were fired out of hand.

(Last fall, two other anti-Reds, Ben Doherty, Southern Ontario representative, and Joe Rankin, Northern Ontario organizer, were fired but rehired almost immediately when locals threatened to secede.)

First to feel the Reds' iron boot was Buck Behie, fired as union organizer at Porcupine.

Then out went Ralph Carlin, business agent for Local 241, Timmins, and brother of R. H. Carlin, the figurehead boss of the Canadian union, and a CCF MPP. He was purged by the simple totalitarian manoeuvre of doing away with his job.

Why They Were Ousted

Their crime: siding with the Government's policy to keep Communist labor organizers out of Canada and for generally fighting leftwing control of the union.

In Carlin's case, he also committed the unpardonable sin of punching Eastern Vice-President Reid Robinson in the nose during a wild, brawling meeting in Timmins.

Later, at the same meeting, Robinson got into another argument, verbal this time with Behie, the other fired official.

Earlier, the Canadian Congress of Labor officially jumped into the fray. In response to the union's request for support in fighting the Government's new immigration policy, the CCL said, No. Then the CCL went on to give the Smelter union's leftwing bosses a dressing down: The U. S. organizers, including Robinson, should never have come into Canada in the first place, they shouted.

This seemed to be the cue the anti-Reds were waitng for. In meetings all over the northland, they opened up on the Communists. They got help from different sources, some expected, some not:

In Toronto, Progressive Conservative M. P. Kelso Roberts, in the Ontario Legislature, challenged Union Director Carlin to state where he stood with Robinson and his half-dozen U. S. lieutenants now ruling the Smelter Union roost in Canada. Carlin remained silent.

Can't Work With Rattlesnakes

In Sudbury, Clarence Gillis, CCF MP for Cape Breton South, speaking to a CCF Trade Union committee, cried: "You can't co-operate with rattlesnakes!"

At the same meeting, Carlin was heckled by fellow CCFers. He was called, "a Communist hiding behind the CCF." Replied Carlin: "I am a member of the CCF . . . I never belonged to any other party . . . I never will . . . I'm going to give everyone an opportunity of belonging to the party he believes in; that's democracy."

In their determination to hang on to control, the Reds appeared to be bringing the Smelters' Union close to destruction. The same thing had happened in the United States two years ago when 30,000 members seceded rather than submit to Communist domination any longer.

• • •

Communists On Receiving End

Elsewhere in Canada and the United States, in contrast to Europe, the Communists were taking quite a beating last week.

In Port Alberni, B.C., Tim Buck got drenched when a "booby trap" was sprung as he rose to address a Legion meeting. Eight pails of water emptied down from a shelf rigged over the front of the platform and "fired" from outside the hall.

At a later meeting in Vancouver a dead cat hurled at his feet was another "offering."

In Quebec City, the Canadian Association of Broadcasters adopted a resolution to deny air time to Communists.

In Ottawa, the Canadian and Catholic Confederation of Labor, in its annual presentation to the Federal Government, called for the outlawing of the LPP.

In Toronto, the Board of Education refused use of a school to the National Labor Youth Federation for a mock trial on prices on the grounds that "there are Communists in the orgaization."

In Windsor, Roy England, president of Canada's biggest single union (the CIO Auto Workers Ford Local) tried to cross to Detroit, was refused admission. England was recently re-elected union president over anti-Communist Candidate Jack Taylor.

In Washington, Harold Christoffell, onetime president of Millwaukee's Auto Workers and leader of two long, bitter strikes at the Allis Chalmers plant, was sentenced to prison for two-six years for perjury. He lied to the House Labor Committee when he denied being a Communist.

In New York, the Government's drive against alien Communists caught up with Irvin Potash, Russian-born vice-president of the Communist-controlled Fur and Leather Workers. Hustled off to Ellis Island, he went on hunger strike with four comrades: Gerhart Eisler, believed to be the No. 1 Commie in the U. S.; John Williamson, the party's labor secretary, Ferdinand Smith, secretary of the CIO's National Maritime Union, and Charlie Doyle, union official recently in immigration trouble between Canada and U. S. at Niagara Falls.

In San Francisco, Harry Bridges was finally fired as the CIO regional director. The last straw; he refused to go along with official CIO policy of opposing Henry Wallace's third party.

In Washington, the Taft-Hartley Act no-communist clause tripped Herbert K. Sorrell whose AFL Studio Unions have had Hollywood movie studios in a strike ferment for three years. Before the House Labor Committee, Sorrell denied he had ever been a member of the Communist party. Shown a CP card signed "Herbert Stewart" (his mother's name was Stewart), Sorrell admitted it looked like his handwriting. A handwriting expert testified it was.

To try and stop the crescendo of anti-Communist revulsion, the Canadian Communist press issued these instructions: Write, phone or send a delegate to see your MP during the Easter recess. Demand that he speak up for a Bill of Rights to protect democracy. Tell him Canadians want no un-American witch hunts. Send resolutions and letters to Mackenzie King. Barrage his office with protests. Speak out at every opportunity against red baiting. Get more readers for The Canadian Tribune.

• • •

Labor Daily Paper Has Labor Trouble

Canada's first labor daily newspaper, The Glace Bay Gazette, has had more than its share of grief.

It's been in hot financial water ever since the United Mine Workers bought it for $20,000 in 1942.

It's had editor trouble. It's been the cause of a nasty internal union squabble. On Feb. 11 publication was suspended. On Feb. 29, the miners, tired of footing the annual deficit, sold it to Editor Floyd Gates and five other employees.

The Gazette seemed to be in the clear at last. But what happened last week was the last straw. Canada's only Labor daily got into labor trouble. The paper became involved in a dispute with the Glace Bay Typographical Union (CCL). The printers charged The Gazette had locked them out and cut wages.

In retaliation, the union suspended from membership four printers who had chipped in with Editor Gates to buy the paper. The break also served to clear up the mystery surounding the suspension of publication last Feb. 11. It turns out the current dispute dates back to Feb. 6, when the printers walked out. As a result, the union ordered the paper to cease operating.

• • •

Cracks Widening In Seamen's Union

Ever since Pat Sullivan quit as president, cracks in the Communist-riddled Seamen's Union have been widening. This is believed to have been the reason behind the union's timid stand last year on the Communist issue; union walls wouldn't stand a strike.

Observers see the same weakness in the "unmilitant" reaction to the latest attack: contracts between the rival union headed by Sullivan and three lake shipping companies; Canada Steamship Lines, Colonial Steamship Ltd., and Sarnia Steamship (The Financial Post, Mar. 11).

Ordinarily, if the Communist leadership thinks the union will stand it, this would be more than enough provocation for a walkout.

Instead of striking, the union meekly submitted its case to conciliation, as it had last fall on charges of (a) refusing and neglecting to negotiate in good faith (b) illegally entering into a contract with another organization (c) compelling workers to join an organization by using coercion and intimidation.

• • •

Railway Wage Dispute Unsettled

Little progress is reported toward settlement of the dispute between Canada's 125,000 railwaymen and 10 railway companies over a general 35c an hour wage increase. Last week, the Conciliation board, under Justice J. C. A. Cameron which has been meeting in Montreal, adjourned until March 30.

• • •

Rogers Dispute To Conciliation

The violence-ridden, four-week strike at Rogers Majestic plant, Leaside, Ont., was headed for conciliation this week, after direct negotiations failed to bring about a settlement. The strike ended three weeks ago when the company agreed to extend the expiring contract during negotiations.

• • •

Union Squabble Goes to Court

The internal squabble of the Canadian Federation of Labor has landed in the courts. In Toronto last week, Mr. Justice Genest reserved judgment in the civil action brought by two CFL officials against W. T. Burford, editor of the CFL Labor Review and CFL secretary-treasurer. The two plaintiffs, Ernest Smith of Toronto and Thomas Cane, Kirkland Lake, contend Burford has been suspended and ask for an accounting of all CFL funds.

Canada Reserve Of U.S. Dollars Up in February

OTTAWA (Staff) — Canada's reserve of Gold and U. S. dollars rose during February to $527 millions, an increase of $13 millions from January, and of $66 millions from the post-war low point of $461 millions reached on Dec. 17.

Canada bought $150 millions of goods from United States in January. This ($136.4 millions in January, 1947, and $141.7 millions in December) the peak of imports was $190.4 millions last October.

Canada fell $43.2 millions behind in balancing her merchandise accounts with the United States in January. This compares with a debit of $33.9 millions in December and $55.8 millions in January, 1947. Overall balance of trade with all countries showed a favorable total of $33 millions in January.

G. F. BULLOCK

has been elected president of the Rexall Drug Co., with which he has been connected for 20 years.

Consumers' Gas Boosts Rates

Increased rates have been announced by Consumers' Gas Co. of Toronto. For about 92% of customers, the boost is 2c per hundred cu. ft. across the board; for the remaining 8%, slightly less.

On the basis of present sales, the company estimates that about 85,000 customers will find the average increase in their monthly bills about 29c, or approximately 1c a day. The new rates will apply on bills rendered for meter readings on and after April 13, 1948, and will be subject to discount for prompt payment.

The following table compares old and new rates.

	New Rate	Old Rate
First 200 cu. ft. or less	90c	80c
	Per 100 cu. ft.	
	New Rate	Old Rate
Next 1,800 cu. ft.	13c	11c
Next 8,000 cu. ft.	12½	10½
Next 90,000 cu. ft.	11½	9½
Next 400,000 cu. ft. ...	11	9
Next 500,000 cu. ft.	9½	7½
Next 500,000 cu. ft. ...	9	7
Next 1,500,000 cu. ft. ..	8½	6½

Higher wage costs, as well as increased costs of coal and all other materials bought for the manufacture of gas, has made the boost necessary, it is stated. Two increases in wages granted within the year, have added $470,000 to annual payrolls, while current payrolls exceed those of 1939 by $1,550,000 a year. Added to increases in cost of coal and oil, these main production charges have risen $1,559,000 the last year, and $3,620,900 since 1939, it is stated.

Since 1941, shareholders have received annual dividends of $8 a share, against $10 previously paid. The reduction, for the seven-year period, has amounted to $2,037,728 but has been insufficient to offset advancing operating costs, the company reports.

Oil Stocks

Petroleum history is being made in Alberta as big United States and Canadian oil corporations, amply backed with money, experience and modern equipment and stimulated by the initial successes in the Leduc field, initiate new drilling programmes.

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Saskatoon Trams' Surplus $86,196

From Our Own Correspondent

SASKATOON—This city's municipally-owned street railway system, long a drain on city finances, in the last three years became a profitable venture. It showed a surplus of $86,196 in 1947, compared to $78,344 in 1946 —in addition to $100,000 put away each year in a replacement reserve fund.

In 1946, the entire surplus was placed in the reserve, while last year only $21,000 was so handled, the balance being utilized to keep down the tax rate. The rate, even so, was higher than in 1946 and appears likely to be boosted again this year.

Saskatoon's other utility, the power plant distribution system, made approximately $620,000 last year.

HEAVEN SCENT

or 10 cents

Selling perfume at $50 an ounce or 10c a bottle . . . you'll definitely find your prospects among the 1,756,543 families who read the Big Four National Week-end Newspapers! Look at the facts! With almost 90% coverage of Canada's Urban market, you can't *help* reaching both the class *and* the mass! That's only logical reasoning. At least, most of Canada's big-name advertisers think it is . . . by virtue of their regular advertising schedules in this group of week-end newspapers.

And if yours is a class product — demanding a class atmosphere — where else can it be found in greater measure than in the rotogravure section? Eye-attracting monotone, or the striking effect of full colour . . . plus 90% readership traffic! These are not mere advertising boasts . . . they are facts which any representative of any one of the Big Four National Week-end Newspapers will be happy to discuss further with you . . . at *any* time!

*Picture courtesy of Helena Rubinstein, creators of "Command Performance" perfume

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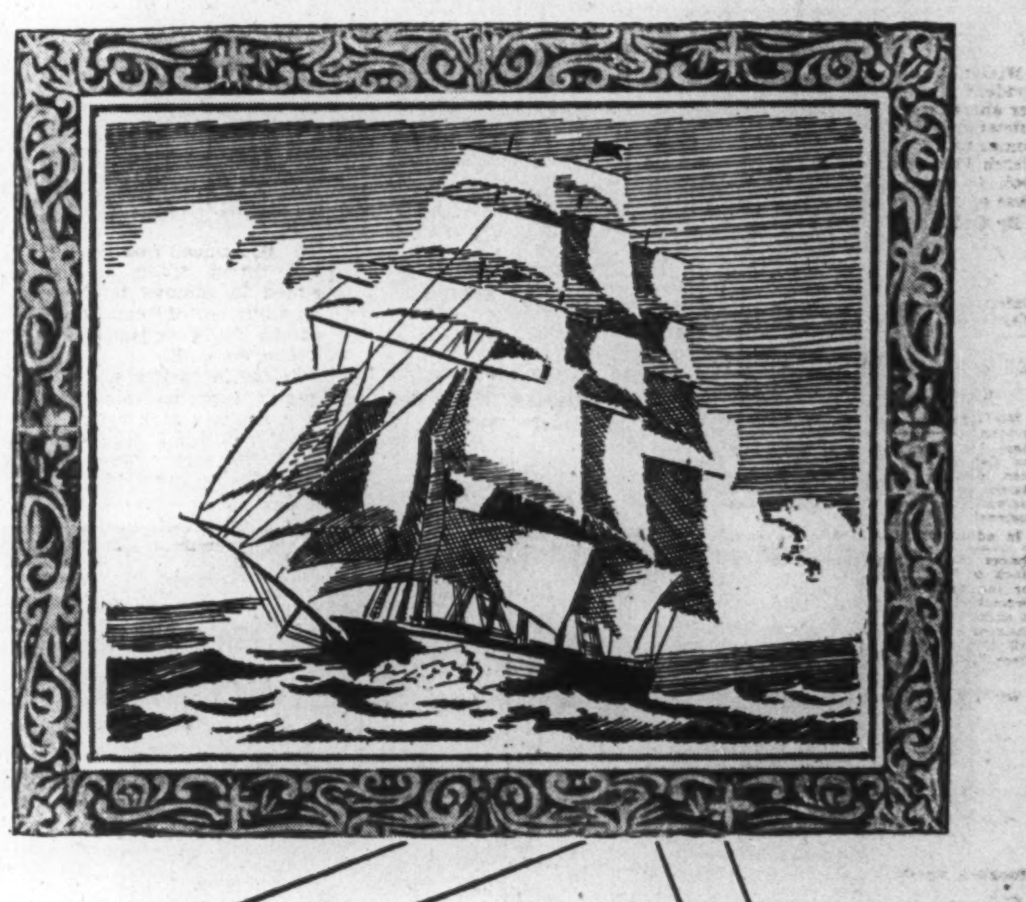
THE STANDARD
SUNDAY LA PATRIE
LA PRESSE
STAR WEEKLY

THE BIG FOUR NATIONAL WEEK-END NEWSPAPERS OF CANADA



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IN the year 1828, Thomas Foster and George Holgate Foster, founded the firm of Foster Bros., Merchant Exporters and Importers, later to become Knowles and Foster, which was destined to expand and flourish, spanning the seas in search of foreign goods. Since that time and during all the vicissitudes of War and Peace, the firm has continued to serve the interests of Supplier and Consumer.

With its Head Office in England, its own houses in Brazil and with Agents of long standing and integrity in other parts of South America, South Africa, Portugal and the Continent of Europe, it offers to Canadian Manufacturers, wishing to export to those markets, a sound organization, which will relieve Manufacturers of all financial worries inherent to the Export Trade. To Canadian consumers of the product and raw materials of those markets, the same facilities are offered.

Knowles & Foster

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Montreal, Que.

THIS WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING MARCH 12

Range 1947-48 High	Low	Div R'te $	Mar12 Y'ld %		Sales	Last Mar. 5	Week end. Mar. 12 H	L	Cl'se
21¾	13½	...	...	Abitibi, new	6747	13¾	14¾	13¾	13¾
22	17	1.50	8.0	Do. $1.50 pf n	2331	18¾	19	18¾	18¾
43¾	35½	2.50	6.7	Do. $2.50 p. n	210	37	37½	37	37½
23½	16½	1.00	5.6	Acadia Atlan A	30	18½	18	18	18
107	98	5.00	5.1	Do. 5% pref.	25	99	99	99	99
11½	8	†.25	...	Acme Glove	1025	9¾	10	9¾	10

Range 1947-48 High	Low	Div. Rate $	Mar 12 Yield %	Company	Sales	Last Mar. 5	Week Ending Mar 12 High	Low	Close
9.65	8.00	.20	2.3	Anglo-Hur.	2,083	8.70	8.60	8.50	8.60
1.30	.38	....	....	Anglo-Rou.	5,700	.40	.48	.38	.45
.70	.13	....	....	Aquarius	14,000	.15	.13½	.12	.12½

Oil Stocks

High	Low	Div. Rate	Yield	Company	Sales	Last	High	Low	Close
.52	.25	....	....	Lowery	500	.50	.51½	.51½	.51½
.17½	.05½	....	....	McD. Segur	200	.09½	.08½	.08½	.08½
.17	.03	....	....	McLeod	25,500	.04	.04½	.04	.04½
.32	.04½	....	....	Mercury	17,400	.11	.12	.10	.11
.14½	.05½	....	....	Midcont.	4,000	.08½	.08	.07	.07
.31	.05	....	....	Mill City	2,000	.10	.08½	.08½	.08½
.42	.16	....	....	Model	2,000	.33	.28	.26	.27
.40	.12	....	....	Nat. Pete.	1,000	.20	.20	.20	.20
.25½	.02½	....	....	New Ranch	16,500	.07½	.08	.07½	.07½
.35	.11	....	....	Nordon	500	.15	.15	.15	.15
2.35	.40	....	....	Okalta	23,400	1.26	1.27	1.15	1.15
.15	.04	....	....	Pacalta	173,696	.06	.06	.05½	.05½
1.25	.78	.10	11.1	Pac. Pete.	19,740	.93	.93	.90	.90
.07	.02	....	....	Phillips P.	3,600	.03½	.03½	.03	.03½
.25	.07½	....	....	Princess P.	12,000	.10½	.11	.10½	.10½
.13	.01½	....	....	Richfield	1,000	.03	.03	.03	.03
1.03	.27	....	....	Roxana	7,300	.27	.30	.27	.29
.20	.04	....	....	Royal Can.	26,400	.11½	.12	.10½	.12
21.00	14.50	1.00	6.1	Royalite	410	17.00	17.00	16.50	16.50
.10	.03	....	....	Share Roy	4,000	.06½	.07	.06½	.06½
.20	.05	....	....	So. Brazeau	13,500	.14½	.15	.13½	.13½
.45	.15	....	....	So. West Pete	50	.30	.24	.24	.24
.33	.07½	†.01½	....	Spooner	323	.16	.18	.17	.18
.40	.18	....	....	Superior	10,000	.25	.25	.25	.25
1.40	1.15	....	....	Texas Can.	350	1.20	1.35	1.35	1.35
.22	.06	....	....	United Oils	3,540	.10	.09½	.09	.09½
.23½	.10½	....	....	Vanalta	1,000	.16	.15	.15	.15
.54	.14	....	....	Vulcan	715	.21	.23	.20	.23
.09	.01	....	....	Wellington	1,000	.5	.06	.06	.06
.07	.01	....	....	York Oils	5,202	.05½	.06	.04½	.04½

* N. Y. Funds. x Extra
‡ Paid in 1946. Capital Repayment. Dividend deferred.
§ Paid in 1947. † Paid or payable in 1948.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Mar. 15 ..	399,000	1,417,000	72,930	46,665	870,000
Mar. 13 ..	109,100	745,000	30,950	5,100	420,000
Mar. 12 ..	349,700	1,402,000	78,554	48,878	860,000
Mar. 11 ..	189,700	670,000	50,032	33,310	1,050,000
Mar. 10 ..	192,400	673,000	71,758	46,941	900,000
Mar. 9 ..	172,700	673,000	79,300	34,557	820,000

Dividends Declared

	This payment	Date payable	Date of record
Do. 5% pfd.	1.25	Apr. 1	Mar. 1
Do. 5½% pfd.	1.37	Apr. 1	Mar. 1
Goodyear Tire	1.00	Apr. 1	Mar. 10
Goulds Pumps, pf.	†1.75	Apr. 6	Mar. 25
Grand & Toy	.15	Apr. 1	Mar. 20
Gt. Lakes Pap. A	.62½	Mar. 31	Mar. 15
Gt. West Felt pf.	.12½	Apr. 1	Mar. 15
Gt.-West L. Assce.	3.75	Apr. 1	Mar. 19
Gt. West Sad. 6% p	.75	Mar. 31	Feb. 28
B. Greening Wire	.05	Apr. 1	Mar. 1
Gypsum Lime	.25	Jun. 1	May 2
Do.	.25	Sep. 1	July 31
Do.	.25	Dec. 1	Nov. 30
Ham. Bridge	.12½	Apr. 1	Mar. 15
Harding Carpets	.20	Apr. 1	Mar. 15
Hendershot Paper	.25	Apr. 1	Mar. 15
Hinde & Dauch	.25	Apr. 1	Feb. 28
Hollinger Cons.	.06	Mar. 31	Mar. 3
F. W. Horner A	.12½	Apr. 1	Mar. 15
Huron & Erie Mtge.	1½%	Apr. 1	Mar. 15
Imperial Bank	.25	May 1	Mar. 31
Imp. Tob. ord.	.10+.20	Mar. 31	Feb. 17
Do. 4% pf.	.25	May 1	Mar. 23
Do. 6% pfd.	3%	Mar. 31	Feb. 17
Indust. Accept. A	.50	Mar. 31	Mar. 1
Do. 4½% pf.	1.06½	Mar. 31	Mar. 1

	This payment
Walker-G. & W. sp.	.37½
Waterous Ltd.	.20
Wellington Fire Ins.	1.75
Western Assur.	1.40
Western Grocers A	.50
Do. 7% pfd.	.35
Geo. Weston	.20
Wilsil Ltd.	.25
Wool Combing	.40
Woods Mfg.	.50
Wright-Hargreaves	.04

†N. Y. funds. *Initial.
§Subject to approval of F.E.C.B.

Bond Redemptions

Bond Issues:	Rate	Year
Rio de Janeiro Tram. L. & P. mtge. bds.	5%	1958
‡York St. Bldgs. 1st mtge. bds.	5%	1953

‡All outstanding.
French and English series.

Stocks Not Traded This Week (Continued)

	Div. rate $	Last sale	Mar. 12 Bid	Ask
St. Law. Paper, 1st pref. new	...	90	..	..
Do. 2nd pf. new	...	37	37	..
Stand. Chem. pf.	5.00	94	70	95
Stand. Clay.	...	13¾	13½	..
St. Pav.	†.25	5	5	5½
Stand. Radio	.40	4½	4	5
Stanley Brock B	.40	5½	5	5½
Stedman Bros. new	.60	15	13½	15
Sterling Coal	...	10	10	12
Sterling Trust	5.00	110	111	114½
Stowell A pref.	1.50	22	20½	22

Government Bonds

Mar. 16, 1948

(Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Victory Loans:			
3	June 1951	102¾	104¼
3	Mar. 1954	102¾	104¼
3	Nov. 1956	102¾	103¼
3	May 1957	101¾	102¾
3	Jan. 1959	100¾	101¼
3	June 1960	100¼	101¼
3	Feb. 1962	99¾	100¾
1⅞	Nov. 1950	100⅞	101¼
3	Oct. 1963	99¾	100¾
3	Sept. 1966	99¾	100¾
1½	Nov. 1949	100⅞	101
1⅞	Nov. 1948	100¼	100¾
Dom. of Canada Bonds:			
3½	Nov. 1951	101	101¾
3½	Feb. 1952	103¼	104
3	Oct. 1952	101¾	102¾
3	June 1955	101¾	102¾
3	June 1958	101	102
4½	Nov. 1959	104½	105
3¼	June 1966	101¼	102¼
3	Perpetual	98¾	99¾
4½	Nov. 1958	101¾	103¾
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1959	100¼	101¼
4½	Sept. 1951	*106¼	*108
4½	Feb. 1956	*110¼	*111¾
4½	July 1957	*111¼	*112¾
4¾	June 1955	*111¼	*112¾
5	Feb. 1954	112	113¾
5	Feb. 1970	*108¾	*110
5	Oct. 1969	*108¼	*109¼

%	Due	Bid	Ask
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955	*111¼	*113
Grand Trunk Pacific Rly.:			
3	Jan. 1962	*98¼	*100¼
4	Jan. 1962	*108	*111
Montreal Harbour Com.:			
5	Nov. 1969	*108¼	*110
Provincial Govt. Bonds			
New Brunswick:			
3½	June 1956	100¼	102¾
4½	Apr. 1961	115¾	118¾
5	Jan. 1960	118¼	121
2¾	June 1966	90¾	92¼
Nova Scotia:			
3	Jan. 1952	101¼	102¾
3¾	June 1956	100¾	102¾
3½	Nov. 1950	102¼	103¾
4½	Nov. 1960	121¼	124¼
5	Mar. 1960	126	128¼
3	June 1958	99¼	101¼
Ontario:			
3¾	Nov. 1951	101	102¼
3½	May 1955	101¾	103¾
4	June 1962	120¼	123
4½	June 1950	104¼	106
4½	Jan. 1962	125¼	128¼
5	Oct. 1948	101¾	102¼
5	Dec. 1960	129¼	131¼
2¾	July 1976	92¾	95¼
Ont. Hydro Commission:			
3½	Feb. 1953	101¼	102¼
4	Aug. 1957	115¼	118¼
2¾	June 1971	92¾	95¼
Prince Edward Island:			
4	Mar. 1954	101¼	103¾

%	Due	Bid	Ask
Quebec:			
3½	Mar. 1959	101¾	103¼
3¾	Feb. 1956	104¼	106¼
4½	Aug. 1958	107¾	110¼
4½	Jan. 1962	112¾	114¾
3	Feb. 1962	99¼	100¾
4	Nov. 1952	103¾	105¼
Alberta:			
3½	June 1964	99½	101
3½	June 1959	102	104½
3¾	June 1972	100¼	101¾
British Columbia:			
4	Dec. 1957	113	116
4½	Jan. 1951	103¼	106¾
4½	Oct. 1953	115	118
5	Apr. 1954	117	120¼
2¾	Apr. 1966	93¼	96¼
5	Sept. 1953	109¼	111¾
Manitoba:			
4	Dec. 1957	113¼	116½
4½	Dec. 1956	117½	121
5	Dec. 1959	123	126
5½	Oct. 1955	114	116¾
Saskatchewan:			
4	Sept. 1954	98¾	101¼
4	Nov. 1960	98¾	101¼
4½	Oct. 1951	107¾	110¾
5	Aug. 1958	105¾	108¼
4½	Mar. 1960	105¼	108¼
5	Dec. 1959	108¼	111¼
5½	Oct. 1952	104¼	107¼
6	Mar. 1952	106¼	108¾

*N. Y. funds.

Unlisted Stocks

(Compiled from quotations supplied by Kippen & Co., Intercity Securities Corp. and Kamm, Garland & Co.)

Mar. 15, 1948

	Bid	Ask.		Bid	Ask.
Allens Toronto units	40.00	....	Interprovincial Brick B pf	....	30.00
Anglo-Can. Telephone A	9.75	10.75	Lambton Loan $50 par	83.00	90.00
Beauharnois L. H. & Pr.	10.25	11.50	Laprairie com.	5.00	7.00
British Mtge. & Trust	185.00	....	Do. pfd.	92.00	97.00
B. C. Sugar	88.00	92.00	Loblaw Groc. Inc.	18.00	18.75
Can. Investors Corp.	7.00	7.75	Manufacturers Life Ins.	345.00	365.00
Canadian Motor Lamp	10.50	12.00	Monarch Life 30% paid	84.00	....
Can. Silk Prod. A	20.50	....	Monarch Mtge. units	4.00	8.00
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Unlisted Mines

Approximate quotations, 3 p.m., March 15, subject to confirmation

[illegible]

Significant Investors' Index Numbers

[illegible]

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Mar. 15	167.62	50.11	32.12	61.08
Mar. 13	167.62	50.23	31.99	61.05
Mar. 12	166.99	49.90	32.00	60.82
Mar. 11	167.21	49.58	32.02	60.77
Mar. 10	167.48	49.54	32.00	60.82
Mar. 9	166.76	49.00	31.84	60.45
Month ago	168.30	49.11	31.95	60.85
Year ago	173.35	48.25	35.65	62.53
1947-48 high	186.85	53.85	37.55	67.10
1947-48 low	163.21	41.16	31.65	57.33

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Mar. 15	153.07	94.97	79.21	30.30
Mar. 13	154.24	98.12	81.07	31.09
Mar. 12	154.16	98.07	81.45	31.43
Mar. 11	155.61	101.36	82.15	32.84
Mar. 10	156.24	102.42	83.22	32.93
Mar. 9	156.20	102.39	82.46	32.84
Month ago	157.37	99.13	83.62	31.33
Year ago	171.54	108.15	88.27	24.27
1947-48 high	184.21	120.26	96.14	37.77
1947-48 low	154.16	95.97	77.91	22.28

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Mar. 15	71.7	111.2	98.0	303.62	69.67
Mar. 13	71.7	112.1	98.6	309.10	71.27
Mar. 12	71.7	111.9	98.5	310.63	72.12
Mar. 11	71.8	112.9	99.2	313.71	73.45
Mar. 10	71.8	113.3	99.4	315.30	73.48
Mar. 9	72.3	112.8	99.5	312.14	73.70
Month ago	71.7	113.0	99.2	312.87	71.28
Year ago	76.5	124.1	106.2	337.51	72.10
'47-'48 high	78.8	130.0	112.5	395.50	83.03
'47-'48 low	71.0	111.5	98.0	287.28	67.20

Company Meetings

1948	Company	Place
Mar. 18	East Sullivan Mines	Montreal
Mar. 18	Shawinigan W. & P.	Montreal
Mar. 19	British Empire Assca.	Toronto
Mar. 19	Candn. Locomotive	Kingston
Mar. 19	Imp. Guar. & Accid	Toronto
Mar. 20	Delta Red Lake	Toronto
Mar. 20	Dickenson Red Lake	Toronto
Mar. 22	Aluminium Ltd.	Montreal
Mar. 23	Amalgamated Oils	Calgary
Mar. 23	Can. North. Power	Montreal
Mar. 23	Donnacona Paper	Quebec City
Mar. 23	Gypsum, Lime	Paris, Ont.
Mar. 23	Imperial Tobacco	Montreal
Mar. 24	Massey-Harris	Toronto
Mar. 24	Nat'l Breweries	Montreal
Mar. 27	Pres'd Metals	Port Huron, Mich.
Mar. 31	Candn. N. W. Land	Toronto
Mar. 31	Eddy Paper Co.	Hull, Que.
Mar. 31	Macassa Mines	Toronto
Mar. 31	Preston East Dome	Toronto
Apr. 5	Abitibi P. & P.	Toronto
Apr. 5	United Corp.	Montreal
Apr. 8	Barcelona Tract'n	London, Eng.
Apr. 15	Candn. W. Lumber	Vancouver
Apr. 15	Dom. Tar & Chem.	Montreal
Apr. 20	Ottawa L. H. & P.	Ottawa
Apr. 21	Borden Co.	Flemington, N.J.
Apr. 23	Price Bros & Co.	Quebec City
Apr. 28	Asbestos Corp.	Montreal
Apr. 28	Western Grocers	Winnipeg
Apr. 29	Montreal Tramways	Montreal
Apr. 30	J. A. Lang & Sons	Toronto
May 5	Can. Pac. Rlwy.	Montreal

Market Comment

What stocks and bonds are doing and what prominent observers say.

Packed boardrooms this week watched Canadian gold stocks plummet to their lowest levels in a year and a half. The Toronto Stock Exchange gold index dropped 11 points in seven market sessions on increasingly heavy volume. In a more orderly retreat, industrials fell back to their lowest level since July 19, 1945.

Forced liquidation, partly occasioned by the annual spring Toronto Stock Exchange audit, hit the market in a particularly unreceptive buying mood. "Offers" of heavily margined stocks were thrown around recklessly in search of bids. Buyers held off as the urgency of selling was patent. It has become increasingly obvious, also, that many issues which formerly represented acceptable collateral for bank borrowings no longer "rated," because of sharp market price reductions and difficulty encountered by mining companies in assuring continuity to their financing programs. The decline was having a cumulative effect at early midweek; what had first been liquidation in stocks of two companies in the advanced development and early production stage, was spreading out rapidly to include nearly all junior and senior producers.

Buying was showing increasingly by Tuesday and although it had not assumed sufficient proportion to "stem the tide," it gave indications of soon overhauling offerings. Some brokerage officials are saying that "war scare" is also beginning to exert an influence on some mining investors. Gold mines have always been particularly vulnerable marketwise to war and war threats.

Technicians were keeping their fingers crossed against a possible penetration of the oft-tested Dow-Jones industrial average of 163.21. This, on top of the present weakened market structure, could institute a fresh selling wave, they say.

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Frank S. Leslie; Frank S. Leslie & Co. (Toronto): In the process of discounting deflation of commodity prices, the stock markets have been in a declining trend for almost two years. The decline probably began prematurely, as these prices are only now starting downward. Had it not been for large-scale government buying, the prevailing adherence to the short work-week, and the slow-down spread-work theory of union leaders in this part of the world, the adjustment might by this time have been completed. It appears now as though it may take upward of another year for prices to drop to a point where there will be much lessening of consumer resistance to prices.

We export 30% of our production, compared to 5% for the United States and while this gives us full employment it has for some years been financed by domestic loans; and payment for the exports to Europe is, at the best, doubtful. It is needless to say that our country cannot continue this policy indefinitely. In order to avoid a reduction in our scale of living of some 30%, either of two things must come into play: (1) Our exports to Europe must be balanced by imports from Europe of goods and commodities which we can use. (2) Aid from the Marshall Plan to be sufficient to allow us at least to balance our adverse balance of trade with the United States. The first plan appears out of the question for several years yet. The second plan will probably be adopted, and will permit us to maintain our present prosperity for perhaps four years and we can hope that we may then find it possible to balance our trade with Europe.

Since bear movements in the stock markets usually last from one to three years, we are probably now getting into the final leg of our present adjustment. Industrial stocks should therefore be purchased between now and the end of 1948 for a very substantial advance which could last for several years, provided there be no outbreak of another large-scale war. In the event of another war, real estate and common equity stocks should be held, rather than cash or bonds.

In regard to the price of gold as paid by Washington, it does not seem reasonable to expect an increase although it is a possibility in some years to come should the United States run into a severe depression and wish to experiment again to bring about internal inflation. The Ottawa policy of maintaining the Canadian dollar at par with the United States as long as at all possible is undoubtedly best for the country as a whole. Once currency depreciation is forced upon a country, that currency usually progressively keeps losing value and this is accompanied by an equivalent rise in the cost of living. While some people would like to see free trade between Canada and the United States, as is presently being worked out between Holland and Belgium, it is not believed that either country is yet ready to take this step.

Due to the fixed price of gold and the rise in operating costs, the profits of gold producers have shrunk severely and the prices of gold shares have declined more than industrials. The value of gold shares should therefore improve in the markets as deflation progresses in this country.

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Hector M. Chisholm; Hector M. Chisholm & Co. (Toronto): The behavior of common stocks in recent months presents a strange pattern of incongruity. In the face of a remarkable over-all expansion in earnings and dividends, the board seems to have adopted a phase of trading usually associated with drastic declines or closely-held inactive stocks — thin markets. The cause is patent.

It is sheer perplexity for investors to assess the magnitude of international affairs and estimate their effect on future domestic trends.

For in no recent years has the market been confronted with the anomalous problem of intense politico-economic situations, restraints and controls of trade, currency maladjustments and governmental retreats from easy money policies, coupled with high home productivity and apparent prosperity.

Confronted with the problem, the market shows that the average investor is taking the easy way out. He is waiting for a broad trend to be established before making commitments. In doing so he is overlooking one important fact. That is, that timing of any phase of the market is impossible to gauge with exactitude, and so he is allowing the situation to bemuse his decisions with respect to selected seasoned industrial equities possessing growth possibilities which are currently yielding well over 6%.

Two current events indicate every possibility for improvement in the basic position of producing gold mines. The first one is that France's defection from the International Monetary fund and consequent freeing of her gold market, suggests that the strain may force both Britain and ourselves to consider currency adjustments. Nearer home, the possible delay until after the Easter recess of Parliament's second reading of the gold bonus bill could be inferred as indicating the Government's desire to wait for a period in the face of world uncertainties, before committing itself irrevocably to the bill in its present form.

Under these circumstances, I am of the opinion that the investor desiring a well-rounded portfolio could recognize the admission of sound, dividend-producing golds now.

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A. Kirby, Fairbanks, Kirby & Co. (Montreal): The spotty market reflects a lack of buying interest rather than liquidating moves. Some stock values are beginning to look pretty good. It is possible that security prices will sag still further and that the bottom has not yet been reached. However, it is worth noting that if a so-called bull market fails to react to good news, such a situation is usually taken to be a warning signal. By the same token, if an apparent bear market does not react violently to bad news, it would seem that some assurance of underlying strength is provided.

In view of this, investors who have held a liquid position could profitably take a look at today's security values. Steel and paper securities look very good at present, and pulp and paper companies should continue to operate profitably for some time.

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Barron's; The Trader (New York): With the possible exception of some commodities, speculation following the second war was more restrained than after the first. From its low shortly after the end of World War I, the Dow-Jones industrial average rose 51% in about nine months to its postwar high of 119.62. The average turned up immediately after the end of the second conflict; but after nine and a half months, had risen only 29% to 212.5; which still is the postwar high. This may explain, in part at least, why those who have expected a decline this time to match the 46% drop from the 1919 high to the 1921 low, have been disappointed.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Mar. 16, 1948

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▵Alg. Cen. H.B.R.	5	'59	64½	67½	66
†Assoc. Tel. & T.	5½	'55	104	....	104
Bell Telephone	3	'77	[illegible]	[illegible]	95¼
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
†Western Grain.	5	'63	76	80	76
York Kt. Mills.	3½	'71	95½	99½	95½

*Payable in Can. or U.S.
†Payable in Can., U.S. or U.K.
*Payable in U.S.
▵Payable in Canada only.
▵Payable in Can. or U.K.

Municipal Bonds

Mar. 16, 1948

	Coup. %	Matur.	Bid $	Ask. $	Yld. %
Victoria	3¾	'55-66	99	102	3.44
Vancouver	3	'67	94½	97½	3.17
Calgary	3½	'51-61	99	101	3.12
Edmonton	3½	'49-59	99	101	2.67
Regina	3	'64	92	95	3.39
Moose Jaw	3-3½	'60	97	99	3.27
Winnipeg	2¾	'66	94	96	3.03
Ottawa	3	'54	101	103	2.48
Toronto	2¾	'72	91	94	3.11
Hamilton	3	'53	101½	103½	2.25
Windsor	2½	'75	73½	76½	4.00
Windsor	2¾	'75	77	80	3.93
Windsor	3½	'75	90	93	3.92
Montreal	3	'70	94	97	3.18
Quebec	2¾	'66	91	93	3.26
Halifax	3	'66	95	97	3.22
Saint John	3½	'65	99	102	3.35

Investment Trusts

	Bid	Asked
Affiliated Funds	3.57	3.91
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.30	4.75
Can. Invest. Corp.	7.00	7.75
Commonwealth Int.	3.32	3.65
Corporate Invest.	8.00	9.00
Trans-Canada, A	12.90	...
Do., B	11.50	12.40

Record of Financing

Sales by Municipalities, Provincial and Dominion Governments. Offerings of Corporations and Foreign Securities.

DOMINION

Dominion of Canada Treasury Notes—⅝% due Sept. 1, 1948, $550,000,000, issued Mar. 1, 1948. Sold to Bank of Canada at $100.

Dominion of Canada Deposit Certificates—⅝% due Sept. 3, 1948, $100,000,000, issued Mar. 5, 1948. Sold to Chartered Banks at $100.

MUNICIPAL

Village of Arthur, Ont.—3¼% debentures, due Mar. 1, 1949-68, $97,000, issued Mar. 1, 1948. Sold to J. L. Graham & Co. at $99.14.

School Commission of Victoriaville, Que.—3% debentures, due Apr. 1, 1949-63, $290,000, issued Mar. 2, 1948. Sold to Dominion Securities Corp. Ltd. at $98.03.

Township of Nepean, Ont.—3¼% debentures, due Apr. 1, 1949-68, $118,000, issued Mar. 4, 1948. Sold at $97.88 to Midland Securities Ltd.

City of Vancouver, B.C.—3½%, 3¾% serial debentures, due serially Apr. 1, 1949-73, $2,000,000, dated Apr. 1, 1948. 3¾% debentures are sold. 3½% debentures offered at $99 to $100 and accrued interest by A. E. Ames & Co. Ltd.; Dominion Securities Corp. Ltd. and Wood, Gundy & Co., Ltd.

Town of Leaside, Ont.—3% & 3¼%, 1 to 20 year serial debentures, $300,000 issued Mar. 11, 1948. Sold at $98.049 to J. L. Graham & Co., Ltd., and Fairclough & Co., Ltd.

CORPORATE

Shirriff's Limited—4%, 1st mtge. bonds, due Feb. 1, 1949-68, $400,000, issued Mar. 4, 1948. Sold privately by Burns Bros. & Denton Ltd.

United Grain Growers Ltd.—4%, 1st mortgage sinking fund bonds series "C," due Mar. 1, 1963, $1,750,000, issued Mar. 4, 1948. Offered at $100 by Wood, Gundy & Co., Ltd.

Chalmers Press—6%, general mortgage sinking fund bonds, due Jan. 15, 1968, $50,000, dated Jan. 15, 1948. Offered at $100 and accrued interest to yield 6% by Wm. M. McCall & Co.

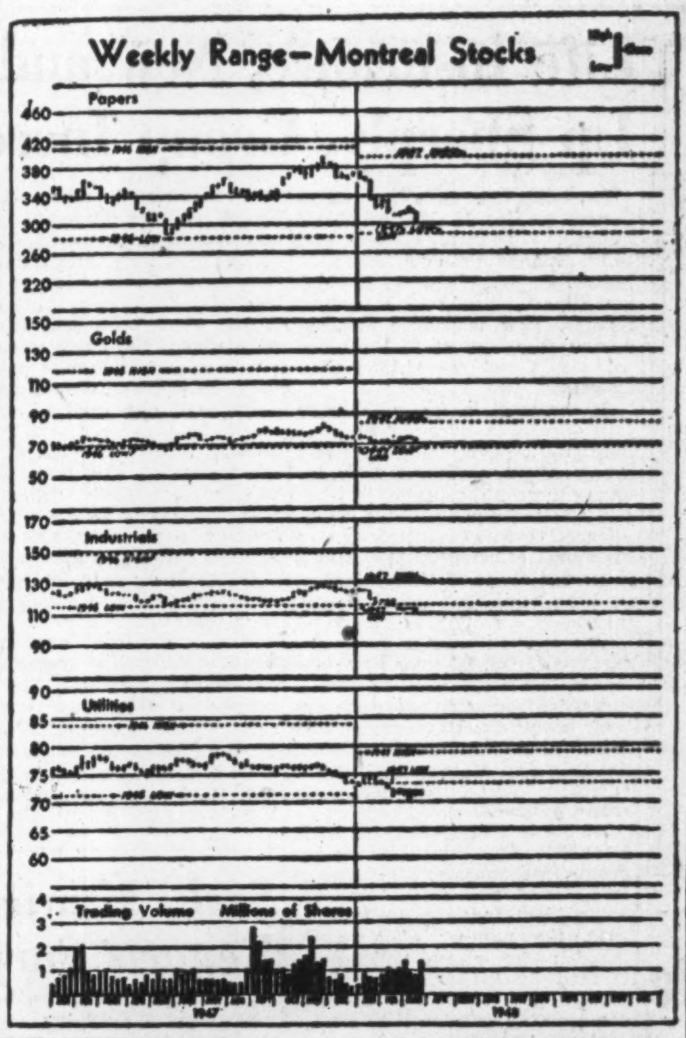
PREFERRED STOCKS

Canadian Refractories—$254,500, 4½% cumulative redeemable first preferred (voting) shares (par value $100) offered at $98.50 per share and accrued dividend by L. G. Beaubien & Co., Ltd.

Grand'mere Knitting — $250,000, 5% cumulative redeemable class "A" preferred shares (par value $25). Offered at $25 per share by Paul Gonthier & Co., Ltd.

Shirriff's Limited—$300,000 5% cumulative redeemable sinking fund preferred shares (par value $20). Offered at $20 per share to yield 5% by Burns Bros. & Denton Ltd.

Calgary Power—$2,000,000, 4½% cumulative redeemable preferred shares (par value $100). Offered at $100 per share by Royal Securities Corp. Ltd.



New Highs & Lows

During the week ended March 13, five new highs were recorded among the "general" stock exchanges, and 50 new lows. In the mining group there was one new high and 65 new lows.

GENERAL

New Highs—1947-48

Aluminum new	Hayes Steel
Cons. Litho	Reliance Grain
Craig Bit	

New Lows 1947-48

Anglo Can. Tel. p.	Dom. Woollens
Bathurst Pwr. A	Donohue Bros.
B. C. Packers B	Eastern Steel
Can. Bread	Fanny Farmer
Can. Cement	Foundation
Can. Vinegars	Gen. Prods. A
Can. Brew.	Gen. Steel Wares p.
Can. Canners	Ham. Cot.
Can. Car.	Int. Metal Ind. pf.
Can. Food Prods.	Int. Nickel
Do. A	J. A. Lang
Can. For. Inv.	Laura Secord
Can. Ind. Alcohol B	Loblaw A
Can. Int. Inv. Tr. p.	Do. B
Can. Locomo.	Maclaren Pow.
Can. Marconi	Nat. Brew.
Can. Oil	Ont. Loan rts.
Can. Tire	Que. Power
Can. Vickers	Que. Pulp & Pa. pf.
Can. Wallpaper A	Scythes & Co. pf.
Circle Bar Knit.	Silknit
Cons. Tex. pf.	Simpsons B
Crown Cork	Do. pf.
Davis Leather A	Tamblyn
Dom. Magnes.	Twin City

MINING

New Highs—1947-48

Placer Devel.

New Lows 1947-48

Alta.	La Luz
Anglo-Rou.	Lingman L.
Aquarius	Little L. L.
Armistice	Louvicourt
Astoria Q.	MacDonald
Aumaque	MacLeod
Bagamac	Magnet
Bear Explor.	Marcus G.
Bevcourt	Mining Corp.
Buffadison	Norpick
Buff. Can.	North Inca
Buff. R. L.	O'Brien
Cariboo	Osisko
Centremaque	Pitt Gold
Cochenour	Powell Rou.
Coin Lake	Privateer
Deinite	Que. Gold
Detta R. L.	Quemont
Duquesne	Regcourt
Duvay	Rupununi
East Sull.	Sherritt G.
Elder	Silanco
El Sol	Stadacona '44
Falconbridge	Sullivan
Francoeur	Surf Inlet
Giant Y'knife	Sylvanite
Goldvue	Taku
Hallnor	Trans. Cont. Res.
Hedley M.	United Keno
Kay Rand	Upper Can.
Kelwren	Ventures
Kenville	Westville
Laguerre	

COMPANY REPORTS

CANADIAN CELANESE 1947 net profit was up 49.2%. Initial operations were commenced at the company's new plant at Sorel, Que., toward the end of 1947. Expansion and improvement of the facilities at the Drummondville plant continued during 1947. Total expenditures for plant and equipment amounted to $3,771,583 compared with $2,594,664 for 1946.

Proceeds of April, 1947, financing were used partly to redeem the outstanding $5 millions principal amount of 3½% debentures due 1959.

INCOME ACCOUNT

Years Ended Dec. 31.	1947	1946
Net earnings	$6,623,965	$4,642,670
Less: Deprec.	712,591	610,250
Deb. int.	272,853	175,000
Inc. tax, etc.	2,555,000	1,800,000
Amort., pat., etc.	41,059	22,039
Invent. res.	17,000	8,000
Net profit	3,025,462	2,027,381
Less: Inc. rts. int.	......	55,071
$1.75 pref. div.	700,000	700,000
$1 pref. div.	75,000	......
Com. divds.	853,625	776,023
Surplus for year	1,396,837	496,287
Times Deb. Int. Earned:		
Before depr.	24.28	26.53
After depr.	21.67	23.04
Earnings per Share and Dividend Record:		
Pref. ($1.75 & $1 Series):		
Earned	$6.05	‡34.93
Paid: $1.75 pref.	1.75	1.75
$1 pref.	0.75	...
Com.: Earned	7.25	4.10
Paid	2.25+0.50	2.00+0.50

‡$1.75 Series only.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$4,574,575	$894,517
Investments‡	5,393,600	4,139,378
Accts. rec.	1,352,452	1,115,676
Inventories	3,237,697	2,243,799
Total curr. assets	14,558,324	8,393,370
Def. & prep. chgs.	650,396	398,569
Invest., etc.▵	1,373,361	1,505,571
Fixed assets	23,156,297	18,385,987
Patents, etc.	1,054,303	1,044,518
Total assets	39,692,683	29,628,015
Accts., tax., pay., etc.	1,996,400	1,586,900
Deb. installment	400,000	......
Total curr. liab.	2,396,400	1,586,900
Depr. & amort. res.	8,083,932	7,310,336
Invent. & spec. res.	418,000	451,000
Debentures	9,600,000	5,000,000
Capital stock	13,719,045	11,219,045
Distrib. surplus	62,500	62,500
Surplus	5,413,796	3,998,244
▵Incl. ref. EPT	1,166,175	1,398,385
‡Mkt. val., approx.	6,390,000	4,994,000
Working capital	12,162,924	6,806,470

DUNLOP TIRE & RUBBER GOODS CO. shareholders at a general meeting approved the proposal to terminate the agreement between the company and Canadian Industries Ltd., which has been in effect since 1932. Under the agreement C. I. L. provided certain managerial services.

PROVINCE OF ONTARIO new issue of $40 million 3% bonds, to be dated April 15, 1948, and due April 15, 1965, is being offered at $98.75 to yield 3.09% by a syndicate headed by Wood, Gundy & Co. Proceeds are for refunding purposes.

Ontario Security Commission Options

Company:	Underwriter:	Purchased (Underwritten) Shares	At c.	Date	Option No. Shares	Received Price Range c.	Capitalization Authbr. Shares	O/s Shares	Accepted
Bargold M.*	J. E. Gauld†	......	..	Jan. 20	500,000	18	....	....	Feb. 28
Cascade Oils	Co. granted security issuer's registration, permitting Robt. Slutzky, Nathan Burke and Cameran G. MacDonald to sell shares on basis of 100% of proceeds to go into treasury.						2,000,000	666,005	Feb. 27
Central Sudbury Lead-Zinc M.	Bay St. Securities†	......	..	Feb. 2	1,000,000	5-30	3,500,000	1,165,005	Feb. 28
Indore G. M.▵	C. M. Cook†	......	..	Jan. 22	500,000	7½-10	3,000,000	1,350,005	Feb. 28
Nickel Lake M.	God's Lake G. M. & Bobjo M.†	......	..	Nov. 24	500,000	20-40	....	....	Feb. 18
Toba Nickel & Copper M.	Co. granted security issuer's registration permitting Messrs. Seymour & Brunton to sell shares on basis of 75% of proceeds to treasury.						5,000,000	1,656,607	Feb. 26
Crusader Petroleums	Astral Mng. & Resources†	......	..	Sept. 29	1,500,000	10-50	3,000,000	1,000,005	Feb. 20
Goldmaque M.	Torny Financial Corp.†	......	..	Jan. 5	1,392,495	10-40	3,000,000	1,307,505	Feb. ..
Lingnora G. M.	Traco Investments†	......	..	Dec. 9	1,000,000	7½-20	....	....	Feb. 23

†Optionee. *Old agreement terminated. ▵If option exercised a further option to be granted on 1,000,000 shs. at 15 to 75c.

AMENDMENTS TO PREVIOUS AGREEMENTS

Accepted for filing: Ingold Prospecting Synd.
Release from escrow: Found Lake Gold Mines.

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4% Cumulative Redeemable Preferred Shares

DIVIDEND NO. 4

Notice to the holders of share warrants and to registered shareholders

NOTICE is hereby given that a dividend of $1.00 per share in Canadian currency has been declared on the above shares for the period from and including January 1st, 1948 to and including March 31st, 1948.

The said dividend will be payable on or after April 1st, 1948 in respect of the shares specified in any share warrant on presentation and delivery of dividend coupon No. 4 at any Branch of The Royal Bank of Canada in Canada.

The said dividend will be paid to registered holders of said shares who are of record at the close of business on March 15th, 1948 by cheque which will be mailed on March 31st, 1948 from the office of the Montreal Trust Company, Vancouver, B.C.

The Income War Act of the Dominion of Canada provides that a tax of 15% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and The Royal Bank of Canada will deduct the tax when paying coupons to or for accounts of non-resident shareholders. Ownership Certificates (Form No. 600) must accompany all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax return. In order to claim such credit the United States tax authorities require evidence of the deduction of said tax, for which purpose registered Shareholders will receive with dividend cheques a Certificate of Tax Deduction, and Bearers of Share Warrants must complete Ownership Certificates (Form No. 601) in duplicate and the Bank cashing the coupons will endorse both copies with a Certificate relative to the deduction and payment of the tax and return one Certificate to the Shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from any office of The Royal Bank of Canada.

Subject to Canadian Regulations affecting enemy aliens, non-residents of Canada may convert this Canadian dollar dividend into United States currency or such other foreign currencies as are permitted by the general regulations of the Canadian Foreign Exchange Control Board at the official Canadian Foreign Exchange control rates prevailing on the date of presentation. Such conversion can be effected only through an Authorized Dealer, i.e., a Canadian Branch of any Canadian chartered bank. The Agency of The Royal Bank of Canada, 68 William Street, New York City, is prepared to accept dividend cheques or coupons for collection through an Authorized Dealer and conversion into any permitted foreign currency.

BY ORDER OF THE BOARD,
J. A. BRICE,
Secretary.

March 9th, 1948,
425 Carrall Street,
Vancouver, B.C.

Gold—?
Our "Monthly Bulletin" for March carries comparative graphs of Gold Stock Prices and Gold Production in Canada between the years 1934-1948.
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Life Insurance, New and in Force Up Sharply, Group Increase Marked

Total life insurance in force in Canada on Dec. 31, 1947 was $11.9 billions, a new high level and 10.1% higher than in the year before, R. W. Warwick, Dominion Superintendent of Insurance reports. New insurance effected during the year at $1.4 billions was also a new record, and 4.3% over 1946.

Of the total in force, ordinary insurance was over $9 billions; industrial $1,411 millions and group $1.484 millions. The increase in group insurance in force and effected during the year was of special interest. New group insurance effected at $119.8 millions was about 46% higher than in 1946, while the gain in such insurance in force was over 20%.

Increased interest in group insurance during the year was commented on by a number of life insurance company executives at their recent annual meetings. The increase, it is believed, included not only new policies written but extensive additions to many already outstanding.

At the end of 1946, there were 1,141,883 lives insured under group insurance policies; and it is believed this figure was increased substantially in 1947. In 1946, the number of lives insured under group policies increased by 198,593, and the increase in 1947 is believed considerably greater than this.

Most of the group policies are written on employees of the employer; and premiums are usually paid partly by the employer and partly by the employees.

While group insurance is usually associated with groups bound together by some tie such as common employment, there is no bar to other groups buying insurance this way, such as members of a lodge, or a trade union. It has even been said that the residents of the same street can buy a group insurance policy if they so desire. Sometimes all debtors of one creditor are insured by the creditor. This is usually called creditor's group life insurance. The main feature in group insurance, generally is that there has to be one contracting party who takes out what is called the master policy.

When more than 50 lives are insured under one group policy, it is usual to issue the policy without medical examination. Because the risk is spread over a substantial number, the premium is usually quite low.

In recent months, there has been a movement to clarify the legal position of group insurance, and especially to separate it from creditors group life insurance. One difference is that under the latter, the creditor benefits if the insured dies; while under ordinary group insurance the beneficiary is usually named by the individual insured.

The growth in group insurance in recent years is usually due to the desire of employers to provide for their employees' dependents in case the employee dies. As a goodwill builder it has proved valuable, helping to combat efforts to stir up differences between employer and employee.

The growth of this type of business is evident in the fact that it was written for the first time in Canada in 1919, the amount that year being $11.5 millions against $119.8 millions last year.

The highest predepression volume of group insurance effected was $77 millions in 1929. It dropped to $13 millions in 1933 and then rose to $82 millions in 1946, the previous high until this year's record.

Sask. Municipal Hail Body Reports Surplus for 1947

From Our Own Correspondent

REGINA—A total of 163 municipalities in the province did business with the Saskatchewan Municipal Hail Insurance Association in 1947. In all, 35,600 farmers took out insurance, with 6,100,127 acres insured at $5 an acre. The total risk was $30,500,635. Claims filed amounted to 586, on which there was a loss of $1,351,226.

Under provisions of the Municipal Hail Insurance Act, 40 nonmember municipalities were provided with hail coverage. In this class, 1,038 applications were approved, amounting to 175,805 acres, with a total risk of $879,024. Hail loss payments of $76,513 were made on 251 claims.

The Association showed a surplus of $178,497 on the 1947 operation, and reported funds in liquid reserve amounted to $3,078,048.

A subsidiary concern, the Additional Municipal Hail Ltd., formed in 1924 to permit farmers to place insurance over and above the standard $5 an acre under the municipal plan, also showed a successful year, issuing 2,456 policies, covering a risk of $2,243,881. Losses of $86,100 were paid on 459 claims. A patronage dividend of 15% of gross premiums was paid to farmers insuring such payments, amounting to $33,167. Surplus from 1947 operation was $68,871.

36 Hours in Alta. Motorists Must Take Out License

From Our Own Correspondent

EDMONTON—Quebec motor car markers and a Quebec driver's license do not suffice in Alberta, Ronald E. Gaunce, formerly of Quebec, learned in police court here when he was fined $8, including costs.

Owners of out-of-the-province cars are required to register within 36 hours after their arrival here, even though tourists. In the event of a person's settling here, he must immediately obtain Alberta markers and an Alberta driver's license.

Alberta Car Licenses At New Peak in 1947

From Our Own Correspondent

EDMONTON—Alberta issued 102,500 car licenses in 1947, shattering all previous records and exceeding the previous year's total of 95,000. Drivers' licenses also set a new high of 184,000, against 71,000 in the previous year.

Issue of new licenses will start as soon as possible after March 15. This year Alberta returns to the old system of two license plates on motor vehicles. In order to meet a rush demand, the province has placed an order for 110,000 sets of plates.

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B-88

Lack of "Pink Slips" Hits Even B. C. Police

Failure to Carry Proof of Financial Responsibility Brings Impounding of Cars Involved in Accidents Even When Insurance Carried

From Our Own Correspondent

VANCOUVER — Although British Columbia's new financial responsibility auto insurance law has been generally welcomed by most motorists, who have insurance, and even some who have not, it is causing confusion in the most unusual places.

The law, similar to the Manitoba auto insurance law, requires motorists who have insurance to carry a pink slip from their insurance firm stating so. If they don't have it and are involved in an accident, their car is impounded by police and held until financial responsibility is proved.

So far an ambulance, a fire truck, a U. S. tourist with a $5 dent in his fender, and a number of private citizens have had their cars seized.

Even Police Cars

Even police cars are not exempt, and although none has yet been impounded, D. E. Taggart, the city's corporation counsel said that for a while police cars, fire trucks, garbage wagons and other vehicles were being driven without the pink slip.

"Only trouble was that the pink slips were a little slow in coming out," he said. "We have always had public liability on our vehicles, but property damage had to be added and that was done."

First city vehicle impounded was an aerial fire truck which was in a four-vehicle collision on its way to answer a false alarm. It was released when the city proved financial responsibility.

An infectious disease ambulance from the city health department was impounded after it was involved in a minor crash.

Most mixed up case was that of Burton Minshall, of Brattleboro, Vermont, whose $4,000 luxury car suffered a $5 dent in the rear fender. Police said he was not at fault for the collision which caused about $75 damage to the front of an auto owned by a Vancouver man; but his car was impounded anyway.

Second U. S. citizen caught in the new B. C. law, Mr. Minshall, told police he had insurance covering him for a maximum of $100,000 in case of accidents, but had no card to prove it.

Police report that most impounded cars are soon released, because they are covered by insurance, but the drivers haven't received their pink slips. They say, though, that the first auto seized, following an accident shortly after midnight, March 1, when the law became effective, is still being held.

Alberta Transfers Insurance From Government to Crown Co's

From Our Own Correspondent

EDMONTON—Provision for an advance of $500,000 by the Provincial Treasury is made in a bill before the legislature to establish the Life Insurance Co. of Alberta. The company is to take over the life branch of the Alberta Government Insurance Office.

Another bill given first reading would establish the Alberta General Insurance Co. to take over the fire and general insurance business of the Alberta Government insurance offices.

The first bill provides for a board of five directors, to be appointed for a period of two years, after which the policy holders may elect two more directors. The company is to take over the assets, liablitities, contracts, agreements, offices and staff of the life branch. Provision is made for the province guaranteeing payment by the company of all policies.

After providing for payment of debts and establishment of an adequate reserve, the company may pay dividends to policy holders. Provision is made also for the company establishing a contributory pension scheme.

The second bill authorizes the Government to appoint a board of directors consisting of a general manager and not more than two other persons to operate the company; and provides for payment by the company of all policies issued by the insurance office fire branch and transferred to the company. This is to be a continuing guarantee.

The Provincial Treasurer is authorized to advance loans to the company. It is not anticipated that these will be required immediately but the provision is made in the event of a catastrophe or series of fires which might seriously menace the company's reserves. The company will also be empowered to establish a contributory pension scheme.

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JACK: Brought you over a good book to enjoy, Bill—all about the old clipper ships—gives you a wonderful picture of trade with the Orient before the days of steam. I've just finished it, and I know you'll like it.

BILL: Thanks a lot, Jack, I'll start it tonight. Business was a lot less complicated in those days, wasn't it!

JACK: In a way, yes. Of course, there was a tremendous element of risk, and the anxiety when most of one's capital was tied up in one vessel and her cargo was something we don't have nowadays. But there weren't so confounded many complications and regulations to deal with.

BILL: There wasn't the same spirit of co-operation in business, either—those old ship-owners were pretty slick competitors. These days are tough, too—but I think people are kindlier. Why, I saw a letter only this afternoon, addressed to our friends Canadian-European Forwarders, that shows the kind of co-operation THEY extend. Part of it read: "You have provided all the information we require, and we are very grateful for your continued assistance and interest in our efforts to develop export business."

JACK: Good stuff! I've always found them very helpful too, any time I needed information. You can depend on Canadian-European Forwarders every time—when they do a job, it's done RIGHT!

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A railway, 350 miles long, has already been partially surveyed. A power site in north eastern Quebec has been selected.

Fenimore Iron Mines, Ltd. has secured a concession of 448 square miles in the "Trough" and will explore it this season. The company has deposited $25,000 with the Quebec government as a guarantee of performance.

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East Sullivan Runs Into Good Ore to East In a Section Previously Thought Barren

Despite the power shortage, East Sullivan continues to make good progress in its big program with underground work recently turning up new ore to the east in a section which the management had anticipated would not prove ore-bearing. The new ore, geologically, is the furthest east of any ore so far disclosed.

After a crosscut to the north at the 450-ft. level had cut through what was thought to be the easterly extremity of the east ore body showing a width of 20 ft. compared with a width of 43 ft. in a drill hole a little to the west, it was decided to continue the drive a little east of north to a location where a raise could be put up to surface in waste.

This drive has shown a further 25 ft. of ore adjoining, with ore still showing where the drift has been turned east. A large extension to the east ore body appears possible and holes are now to be put out north and south from the drive headings to explore for extensions.

Work continues both underground and at surface preparing for production. A large part of underground work has comprised the driving of fringe drifts for mining. While these fringe drifts are primarily intended as haulage ways from which to draw ore, they have provided material which has been roughly sorted to provide 2,162 tons of ore averaging 2.92% copper, 1.79% zinc, 0.02 oz. gold and 0.49 oz. silver per ton.

This material has now been accumulated on the ore dump.

Raising is being undertaken on various levels to provide a second opening for the mine. At the 150-ft. level, work is well under way for raising and the surface has been cleared where the raise will break through to surface. A connecting raise is being started on the 300-ft. level. Fringe drifts are in progress here along the footwall or north side of the west ore body. Similar work has been started on the east ore body.

On the 450-ft. level, besides the drive in ore mentioned, scram drifts and box holes have been started on the west ore body and fringe drifts on the east ore body.

Crosscut at 6th Level

On the 600-ft. level, the station has been completed and crosscutting is in progress southward toward the ore zone.

At 960-ft. elevation work has been started on the crusher station and control room. The ore pass from the 7th level is also being driven.

Surface work continues despite inclement weather. The new hoist house has been completed and concrete foundations are being poured. Work on the concentrator building has been confined to building forms for the concrete due to inclement weather. In the crusher house, the 5½-ft. standard cone crusher has been moved to its foundations ready for grouting.

Work on the railroad has been suspended because of heavy snowfall but very little work is now required to complete it.

Labor conditions have improved and an additional 10 men were taken on the payroll in February.

Falconbridge Meet Lively

Annual meeting of Falconbridge Nickel Mines was enlivened by two minority groups of shareholders. One, headed by H. A. Goldman, Montreal, suggested that a shareholders' committee be formed to enquire into the circumstances surrounding the resignation of L. K. Brindley as president. The second group, which included E. B. Kernahan, Toronto, asked for representation of minority shareholders on the board of directors.

After explaining that directors had accepted the resignation of Mr. Brindley as president because "he definitely stated that he could not continue unless policies were left entirely in his hands." President Thayer Lindsley expressed his willingness to go into the matter further with any shareholders who wished. About $135,000 paid Mr. Brindley when he resigned as president, Mr. Lindsley explained that the company has still the advice of Mr. Brindley on European affairs and that the $135,000 is based on $13,500 for 10 years.

Mr. Lindsley also explained that Mr. Brindley had received a $36,000 a year salary and that there had been no increase in his own salary of $500 a month on his stepping up from vice-president to president. While not agreeing to any new representatives on the board, Mr. Lindsley agreed to meet with minority representatives with a view to a possible addition.

Discussing operations, Mr. Lindsley said that Falconbridge hoped to produce more in 1948 than 1947 despite the power shortage and that it was also hoped there would be a small increase in earnings. It is the directors' intention, he stated, to pay out as much of 1948 earnings in dividends as possible. It is planned to enter the U. S. nickel market and 40% of 1948 output has been earmarked for sale in the United States.

Jubilee Meeting of C.I.M.M. To Feature Mining Progress

At the 50th Anniversary Jubilee Convention of the Canadian Institute of Mining & Metallurgy (Vancouver, April 5-8), a series of papers are to be presented illustrating achievements of metal mining during the Institute's existence.

Modern scientific aids for prospecting are to be discussed in a number of papers which will deal with the airborne magnetometer and other geophysical instruments.

The monumental volume "Structural Geology of Canadian Ore Deposits," sponsored by the Institute, is expected to be available at the meeting.

Extraction of minerals will be covered in a panel discussion led by H. R. Banks of Consolidated Smelters. Mining methods will also be discussed.

Achievements in mineral production will be reviewed by W. H. Losee of the Dominion Government, Ottawa.

Since its origin, the CIMM has grown until it now enjoys a membership of 4,000 in 21 branches across Canada.

Akaitcho Secures $277,000 Cash

Through exercise of options held by Frobisher Ltd., Akaitcho Yellowknife Gold Mines has been provided with funds for the program of underground development proposed when Snare River power becomes available.

Akaitcho has received $277,496 in cash as payment for 369,995 shares at 75 cents a share. Frobisher has now exercised all its option under its agreement of Jan. 31, 1945.

Surface drilling of the Akaitcho property, which adjoins to the north of Giant, has outlined between 250,000 and 300,000 tons averaging $15 to $20 a ton in a single block, engineers estimate.

Saskatchewan Issues New Oil and Gas Map

The Saskatchewan Department of Natural Resources and Industrial Development has inaugurated a new map service designed to keep the public posted on oil and gas developments in the province.

Initial map shows present disposition of petroleum and gas rights on Crown lands; additional maps will be issued quarterly and at shorter intervals if necessary.

A free mailing list has already been prepared, with additional copies available at $2.

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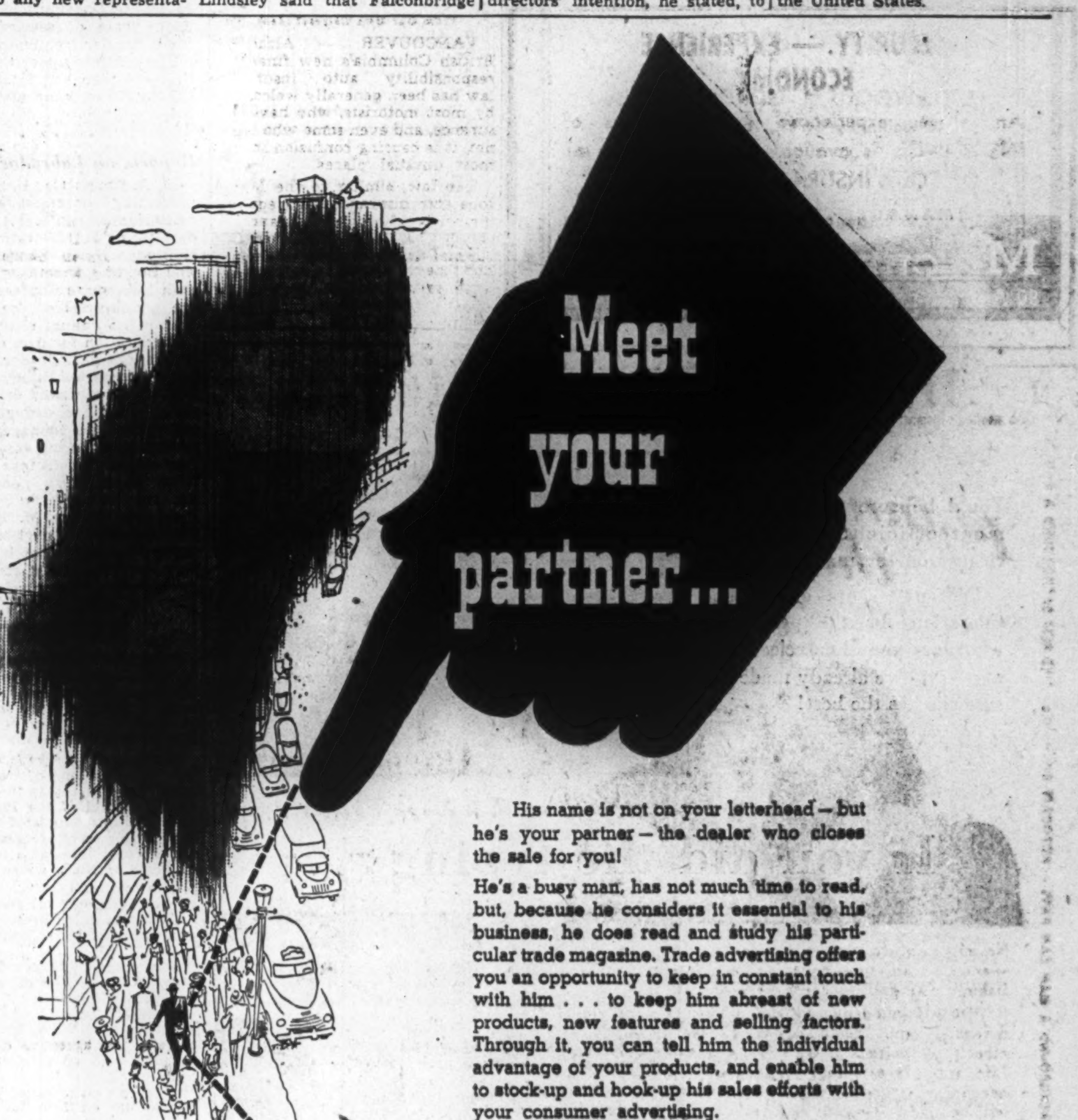

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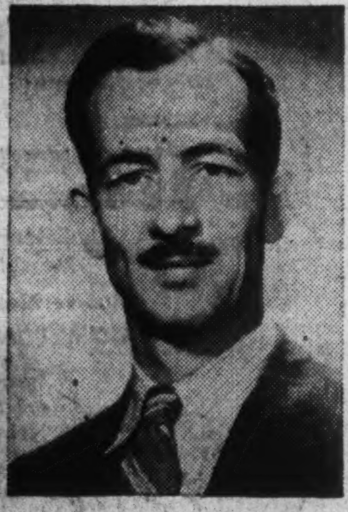

J. W. ROSE, JR.

Mr. C. S. Robertson, General Manager of the Canada Permanent Mortgage Corporation announces the appointment of Mr. Clarence Gibson as Manager of the Corporation's Ontario Branch, and Mr. J. W. Rose, Jr., as Secretary of the Corporation.

Mr. Gibson has been Assistant Manager of the Ontario Branch since 1946. Previously he had many years of experience with real estate values and building operations in Ontario as Inspector for the Corporation. Mr. Rose graduated from the University of Toronto in the Commerce and Finance course in 1928 and entered the service of the Corporation the same year. He has occupied various executive positions and more recently has been Secretary of the Investment Committee, as well as an Estates Officer, of The Canada Permanent Trust Company. Mr. Walter F. Watkins, who has been Secretary of the Corporation since 1921, and Assistant General Manager since 1933, will continue as Assistant General Manager. *

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MINING INVESTMENTS

Base Metals Still Short Despite Higher Prices

Recent world statistics show conclusively that a high price plateau for base metals, copper, lead and zinc, is not leading to any great expansion of output of these key metals.

World copper shipments in February dropped 36,900 tons to only 161,956 tons. Only a minor part of the drop was attributable to February's being a short month. World shipments, outside the United States, fell 24,800 tons to 55,133 tons.

For the fourth consecutive month, lead stocks held by smelters and refiners in the United States have shown declines. Stocks on Feb. 1, 1948, were the lowest in five years.

A further small decline in U. S. zinc stocks has been experienced recently with refined stocks on hand (including Metals Reserve) totaling only 53,473 tons.

• • •

Marshall Plan May Help

In the United Kingdom, shortage of dollars has been so acute that rationing of nonferrous metals has been introduced. A 7% cut has been made in copper which may be used. This, it is hoped, will save 38,000 tons a year. A 20% cut has been made in the amount of zinc which may be used in galvanizing.

It is generally conceded that passage of the Marshall Plan may result in increased purchases of nonferrous metals generally, including nickel.

A new factor in the nonferrous metal market recently has been Russia, which has been dickering for delivery of copper from a Chilean mine.

The most important price change in the nonferrous metals' market recently has been sale in the United States of considerable copper at 22c a pound, a new high. While many raw materials have shown some weakness on the market recently, nonferrous metals have been a notable exception.

• • •

Canada 2nd in Gold

Canada is well up in second place in world gold production (excluding the U.S.S.R. and Japan) according to the latest figures compiled by the American Bureau of Metal Statistics. It also appears from these statistics that production is improving more rapidly in Canada than in most other countries.

Here are the main producers listed, in their respective order:

Gold Output—Thousands of Ounces

Country:	Oct. 1947	Nov. 1947	Dec. 1947	Jan. 1948
South Africa	1,012	966	977	*
Canada	259	252	275	*
United States ...	234	178	208	178
West. Australia ..	59	59	58	*
Colombia	26	27	19	*
Gold Coast	1	35	50	*
Belgian Congo ..	24	22	22	26
British India	12	15	14	13
Rhodesia (South.)	44	43	*	*

*Not available.

• • •

Inco Backs Social Security

The increasing extent to which business is assuming a continuing responsibility to its employees by way of accident and sickness benefits, retirement pensions, etc., is well illustrated in the 1947 annual report of International Nickel Co. of Canada, just issued.

Inco, which has 19,680 employees, last year paid out $625,529 from trust funds in 901 pensions and 125 death benefits. Under contributory sickness and nonoccupational accident insurance plans, cash benefits were paid to employees in no less than 5,345 cases.

No distinction is made by Inco between officers and other employees in working out pension payments. Distributions are based upon years of service, average final regular remuneration.

The trustees under the Inco retirement plan had total assets of $27,991,179 on hand at the end of 1947.

• • •

Reports on Labrador Iron

M. A. Hanna Co., U. S. iron ore marketing organization, which owns minority interests in Labrador Mining & Exploration Co. and Hollinger North Shore Exploration Co., had something to say on both Labrador resources and iron ore possibilities of the Sudbury area in its annual report.

Exploration for iron ore on the concessions in Labrador and Quebec was reported to be continuing with an "accelerated drilling program." While showings are encouraging, the tonnages already proven must be increased by further exploration before the very large expenditure necessary to develop the property is justified, President George M. Humphrey reported. The district was stated to be so remote that it is necessary to fly all materials and supplies into the territory.

The Hanna 1947 report says that investigations were also made last year into the Moose Mountain property in the Sudbury region of Ontario which was stated to contain medium-grade iron ore. Exploration for ore in the territory of Amapa, Brazil, has been abandoned.

Labrador sights set HIGH

Labrador and Iron will be synonymous terms in the Canadian lexicon in a very short period.

Already 200,000,000 tons of high grade ore have been indicated. Early objective is 300,000,000 tons. The Timmins companies plan annual production of 10,000,000 tons a year.

Fenimore Iron Mines, Ltd., hold a concession of 448 square miles in the famous "Labrador Trough." Iron is already known to occur on this big block.

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COMPANY REPORTS

PRESTON EAST DOME enjoyed favorable ore developments in 1947, increased its earnings from 6 to 7 cents a share, showed a 27,015-ton increase in ore reserves vs. a 83,358-ton drop the previous year.

Features of the year's work were (a) development of longest ore shoot yet opened in the mine at the 18th level of the Preston Porphyry with a length of 749 ft. and (b) opening up of ore in greenstones for the first time, at a location 400 ft. north of No. 3 winze.

Of a total of 4,415 ft. of ore opened averaging 0.21 oz. gold, 2,246 ft., or 51%, was in the Preston porphyry and averaged 0.17 oz. while 1,613 ft., or 36.5%, was in the West porphyry and averaged 0.28 oz. The 284 ft. opened in the north greenstones averaged 0.15 oz.

Summarizing the changed position, Manager W. A. Hutchison declares: "An agressive development program will be continued with a view to maintaining and improving the ore position. Finding of ore in greenstone on 18th level together with the fact that depth confirmation has been obtained in the West Porphyry gives promise of a more favorable outlook in 1948."

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Bullion production ..	$1,825,703	$1,835,697
Less: Market chgs. ...	14,690	18,078
Net recovery	1,811,013	1,817,619
Less: Oper. costs	1,518,897	1,464,524
Operating profit	292,116	353,095
Add: Sundry rev.	26,180	37,525
Net earnings	318,296	390,620
Less: Depreciation ...	62,985	113,134
Outside expl.	......	1,079
Shaft deep. w/o ...	37,242	33,163
Prov. for taxes	8,061	66,063
Net profit	210,008	177,181
Less: Dividends	180,000	270,000
Surplus for year	30,008	•92,819
•Deficit.		
Earned per Share	$0.07	$0.06
Paid	0.06	0.09

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$284,272	$298,035
Accts. rec.	12,289	2,111
Bds. & list. stks.*	559,887	559,887
Accr. bd. int., etc. ...	8,172	8,172
Stores & supplies	169,170	202,733
Total curr. assets ..	1,033,790	1,070,938
Investments	134,521	78,521
Prep. & def. assets ...	26,259	15,172
Def. development	147,362	44,288
Mining claims	1,327,265	1,327,265
Plant & equip.▲	88,734	142,549
Total assets	2,757,931	2,678,733
Accts., etc., payable .	180,214	155,398
Taxes payable	8,410	34,047
Total curr. liab. ...	188,624	189,445
Capital stock	1,770,250	1,770,250
Surplus	799,057	719,038
▲After depr. of	1,882,635	1,802,328
*Market value	599,430	613,167
Working capital	845,166	881,493

OPERATING STATISTICS

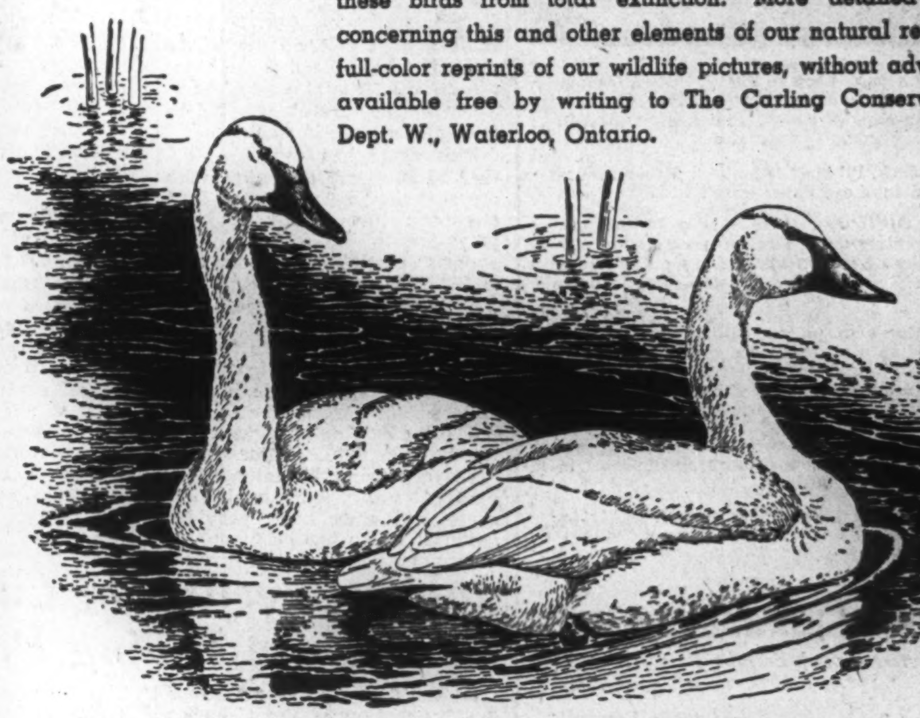
	1947	1946
Tons milled	225,812	230,899
Average recov.	$8.09	$7.95
Ore reserves, tons ...	430,310	403,295
Grade ($35 gold) ..	$8.19	$8.33

CONSOLIDATED HOMESTEAD OIL has received payment for Mar. 5 underwriting of $30,000, comprising 200,000 shares. Issued capital is 3,221,050 shares.

BEVCOURT GOLD MINES has received payment for Mar. 10 underwriting of $30,000, comprising 60,000 shares. Issued capital is 2,960,000 shares.

Candidate for oblivion?

It has been estimated that there are probably less than 1,000 Trumpeter Swans in the whole of North America. Every remaining pair of these beautiful birds is vitally important to the continued existence of the species, and the protective legislation which has been enacted on their behalf must be carefully observed in order to save these birds from total extinction. More detailed information concerning this and other elements of our natural resources, and full-color reprints of our wildlife pictures, without advertising, are available free by writing to The Carling Conservation Club, Dept. W., Waterloo, Ontario.



In 1813, Audubon carefully estimated that he saw over a billion Passenger Pigeons in one day. Today there are none. This same fate may overtake the Trumpeter Swan unless great care is taken in conserving the meagre supply which still exists.

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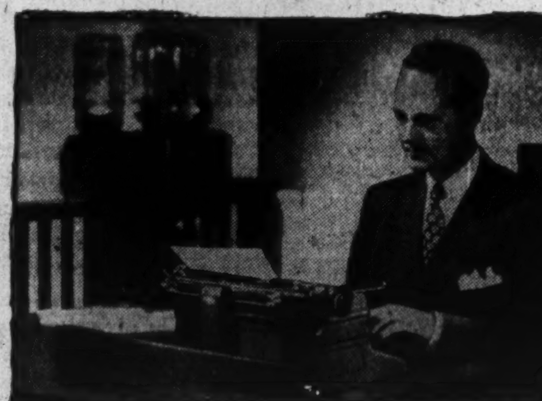

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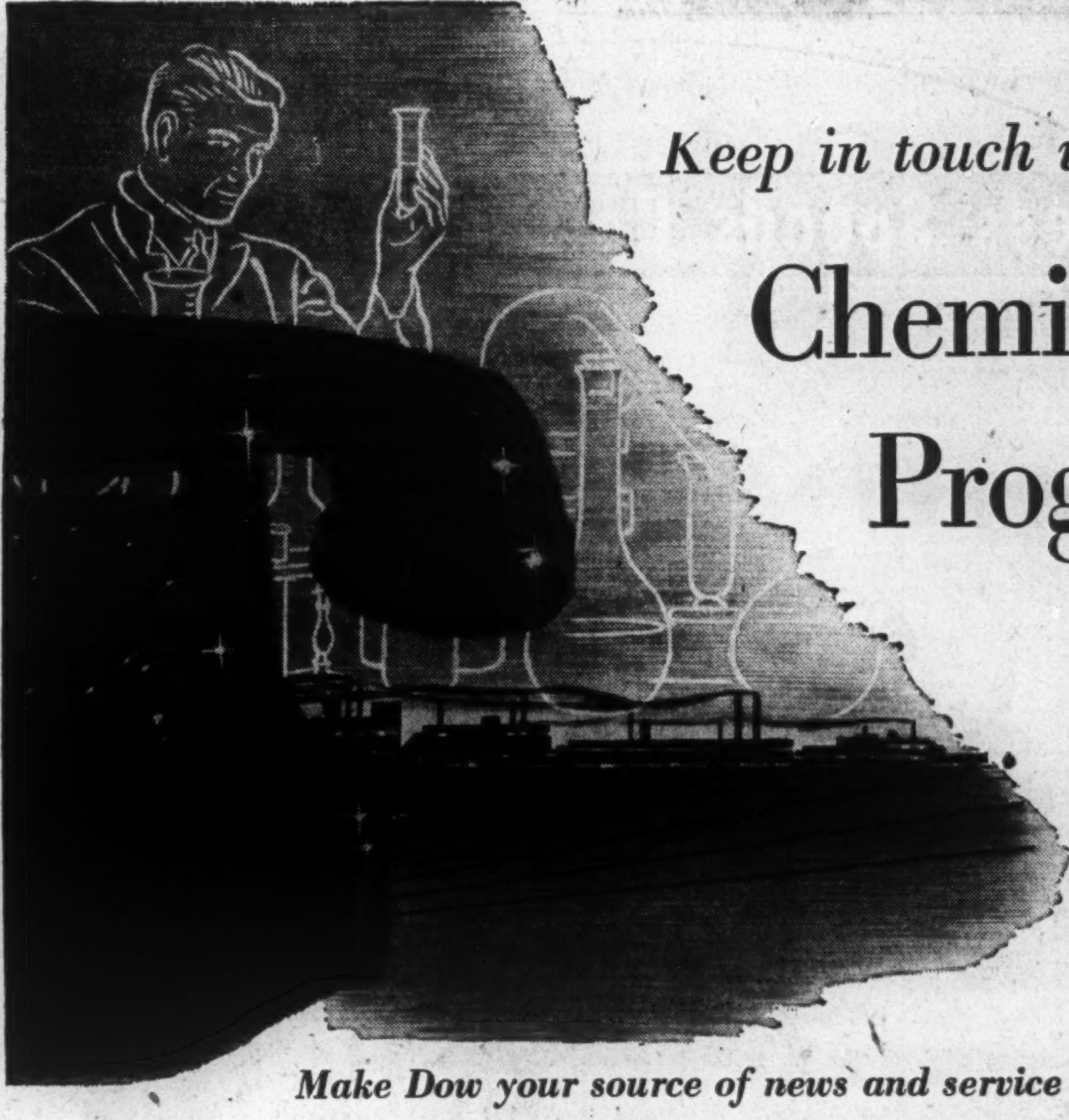

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Offer Russian Scare, Forced Liquidation As Reasons For Break in Mining Market

By GORDON M. GRANT

Shearing of tens of millions of dollars from market values of Canada's more popular newer mining issues during the last two weeks marked culmination of the ability of the market to absorb sizeable offerings at then existing levels.

As one broker expressed it: "Buying power was singularly lacking."

Behind the scenes — and in board rooms — everything from the Russian situation to forced liquidation, got the blame for the sharp sell-off which carried the TSE index of golds into new low ground.

Why Market Dropped

Several factors appeared to play a very definite part in carrying the whole market lower:

1. Louvicourt Goldfield, unable so far to establish any sizeable earning power, did the initial "damage" of unsettling the market, dropping from $1.28 a share to the half dollar mark.

2. Liquidation of East Sullivan (financed in part by the same interests as Louvicourt), brought further unsettlement, suggesting that margin selling was taking place on a considerable scale.

3. Further selling of better grade issues was reported caused in part by margin liquidation, although brokers' loans were not at a high level.

4. Many stocks in the non-producing category have sold below the $1 a mark and are regarded by the banks as unsuitable for collateral, due to uncertainty with respect to their continued financing. This has apparently been a primary factor in "drying up buying power."

Slump a Surprise

To most observers, the marked sell off in Giant Yellowknife, Quemont, Sherritt Gordon, East Sullivan Mines, came as quite a surprise because none of the companies concerned is apparently faced with any major uncertainties as regards future financing.

Giant Yellowknife, now selling at little more than half its previous price, has arranged for needed working capital by bank financing. Despite early reports to the contrary, the company is apparently not contemplating any increase in capital or further issue of shares. The drop in the market was of no immediate importance to the company, as far as its plans and prospects are concerned.

Quemont Can Get Funds

Quemont, selling down to almost a third below where rights were offered at $15 a share, was a marked weak spot, although little stock changed hands. While Quemont will probably need another $1.5 millions to reach production, this money is expected to be made available through advances by associated companies. High prices for copper have apparently had little bullish effect on the price for the company's shares. No change in the present operating program is expected as a result of Quemont's sell-off.

Sherritt Gordon has experienced no great change either at its Lynn Lake property in recent weeks, is in no immediate need of financing due to the continuing high level of earning power at its Sherridon producing unit. Some commentators think that the company might have done well to carry out major financing of Lynn Lake operations some time ago. But base metal prices continue strong and any new discoveries at the Lynn Lake property might change the picture rapidly.

East Sullivan Financed

East Sullivan, like Giant, appears to be fully financed right through to the time when returns are received from production.

Further favorable drilling results have apparently been secured at the property. There were no known unfavorable property developments to account for the market break in this issue.

A number of quarters attributed the market break to the uncertainty surrounding international affairs. But neither the New York or Toronto industrial markets showed any marked sell-off and the threat of war may have been only a "red herring" as far as the gold mining market decline was concerned. Most brokers said effects of the market sell-off were cumulative, requiring continued margin liquidation. It was thought that the mining market might not really turn itself around until after the Toronto Stock Exchange audit at the end of March.

Canadian Malartic to Mill 1,200 Tons By Next July

Expansion of milling rate from 1,000 to 1,200 tons daily at Canadian Malartic Gold Mines is expected to become effective next July, The Financial Post is informed. Addition to the mill building has been completed and necessary additions to primary and secondary crushing equipment will now be made.

Despite increasing labor and supply costs, unit operating costs were only $3.01 a ton in the last quarter of 1947 when a $48,559 operating profit was realized. It is expected that the mill addition will be of considerable assistance in keeping unit costs at a low level.

Open Porphyry Body

The new porphyry ore body located to the east of the No. 1 shaft has now been opened up from the 2nd to the 7th levels. On the 5th level, there is a length of 230 ft. showing a grade well above mine average across an average width of 21 ft.

A winze was completed during 1947 to 1,625 ft. depth with five new levels established. This is to the east of No. 708 ore body and will permit widespread exploration of the contact zone of the sediments with the main porphyry mass. There is a total length of 8,000 ft. to the southeast along the contact which remains to be explored.

The "Creek" ore body is to be mined by open pit from surface. The structure has been indicated by drilling over a length of 500 ft. with a grade of .14 oz. gold across a width of 25 ft. It bottoms at the 350-ft. level. A raise is being driven from this horizon for handling of ore from the pit.

PARAMAQUE MINES Mar. 2 installment on 50,000 shares at 15 cents has not been exercised and balance of agreement with Federal Trading & Agency Co. has been terminated by mutual consent.

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OIL PRODUCTION

Cent. Leduc Makes Deals On Two New Test Wells

From Our Own Correspondent

CALGARY — Central Leduc Oils announces that agreements have been reached with Gas & Oil Products and Saskatchewan Federated Co-operatives for the drilling of two more wells on its quarter section at Leduc.

Lease involved is northwest quarter of section 25-50-26w4, on northeast fringe of Leduc field. Two wells have already been drilled: B. A. Pyrcz No. 1, drilled at expense of B. A. Oil reached D3 zone at water line and was a failure; and Central Leduc Pyrez No. 2, drilled by Central Leduc on its own, and completed as a producer in D3.

The failure was drilled near centre of L. S. D. 12. The success was drilled in the northwest ten acres of L. S. D. 13, about three eighths of a mile north and west of the failure. No. 2 topped D3 166 ft. higher than the failure — a marked difference which opened a good prospect for success between the failure and the success, and to the east of the producer.

The Saskatchewan Co-op will drill the in-between location for a 30% interest in any production, and the right to buy at field price of 100% of production. The Co-op will foot operating costs. Central Leduc will receive 70% of gross production. The well, Central-Co-op No. 3, will be drilled in the northwest 10 acres of L. S. D. 12.

Gas & Oil Products will drill the east extension test for a 50% interest in any production, and the right to buy all production at field price. Central Leduc will receive 50% of gross production. The well, Central-G. & O.-Leduc No. 1, will be drilled in the northwest 10 acres of L. S. D. 14.

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Anglo-Home-C & E to Drill

Canadian Oil's leading independent team, Anglo Canadian Oil Co., Home Oil Co., and Calgary & Edmonton Corp. has staked the next wildcat in its efforts to open an oil field in Central Alberta.

The next Anglo-Home-C. & E. venture will be St. Ann No. 1, located on the Alexis Indian Reserve, about 40 miles west and north of Edmonton, and 26 miles north of the team's Wabamun Lake No. 1 failure. The well is located in L. S. D. 9 28-55-4w5. The 15,490-acre Indian reserve was taken under reservation by the team last September. Each of the three independents has a one-third interest in the reserve and the well. Contractor Drilling Contractors is now moving its rig out of Wabamun Lake for delivery to the St. Ann site. The new venture will test horizons down to and including the Devonian.

Ont. Gold Yield Moving Higher

The increasing trend of production of Ontario gold mines which first became apparent last October is continuing at an accelerated pace, production figures released by the Ontario Department of Mines show.

The growing supply of manpower is generally believed responsible for improving conditions at the 45 mines which reported production for January. Labor force of 12,759 was the highest reported since January, 1947.

Value of gold and silver produced by Ontario gold mines in January was $5,833,976 secured from the milling of 661,969 tons of ore for an average of $8.81 a ton. In January, 1947, production had amounted to $5,466,983.

New Records Set

During January, 1948, a daily average of 21,354 tons of ore was milled with a daily average recovery of $188,193 in gold and silver. In most instances these figures constitute new records since June, 1947.

Porcupine accounted for $2,834,100 of the January production of $5,833,976. A total of 339,272 tons of ore were milled.

Kirkland-Larder Lake production value amounted to $1,857,399 with 189,411 tons of ore milled during the month.

Northwestern Ontario recorded an output of $951,220 while $191,005 of gold was turned out by gold mines of the Matachewan-Sudbury area.

Of the 45 producing mines, 17 were located in the Porcupine area and 11 in the Kirkland-Larder Lake area.

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How better cast iron gives jobs to Canadians

The ancient Egyptians spoke of iron as the precious metal. It was used for making swords, armor and ornaments. As early as 332 B.C. iron was being cast into various forms.

In modern times, various industries began extensive research on the effects of adding Nickel to cast iron, realizing what vast improvements had been imparted to steel by adding Nickel. In this research, International Nickel took a very active part.

Over a period of years, it was discovered that by adding Nickel sometimes with other alloying elements, cast irons could be produced which were definitely stronger, tougher, and more uniform in texture, more resistant to wear and rust.

The facts uncovered in this research work were carefully collected by International Nickel and broadcast freely to foundries, manufacturers of machinery and other potential users.

Thirty years ago the commercial use of Nickel in cast iron was unknown. Today many thousands of tons of Canadian Nickel are used for this purpose.

The production of this Canadian Nickel means jobs for hundreds of Canadians in the Nickel mines, smelters and refineries. The use of Nickel cast iron has led to great expansion in cast iron foundries, thus giving employment to still more men. Thus does research develop better products and create more employment.

Placing Nickel anodes in the electrolytic tanks at the Nickel refinery.

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THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED, 25 KING STREET WEST, TORONTO, ONTARIO

Reds Sow Wind, Now Rue Whirlwind; Hint Near-Ultimatum by U. K., U. S.

LONDON—Ever since the forces of democracy, as Stalin's stooges are called, seized dictatorial power in Czechoslovakia, the atmosphere in London has been reminiscent of the Munich crisis period. The likelihood of war, with Russia is discussed openly in Parliament and in the press. Public opinion is calling for strong action and everyone agrees that the situation could not be much worse.

The British have always believed in letting any crackpot individual or party have full freedom of expression but I would not be surprised if the Communist Party were banned one of these gentle spring days. The Labor Party is furious with the Communists because of their open attacks on Labor policy and the Government. Then there is the undoubted fact that the Communists have wormed themselves into the Trade Unions and hold many important posts. A purge is not at all unlikely.

• • •

I had a talk with Philip Piratin who sits as one of the two Communists in the House of Commons. He admitted that the pressure against his party was becoming very powerful, but argued that everything in Prague had been on the best lines of democratic practice.

"It is madness to say that the Communists outside of Russia take orders from the Kremlin," he said. "Do you think I get orders from Stalin?"

I said that I didn't know but that he seemed to obey the orders pretty well whether he got them or not.

"I am absolutely independent," he said. "I take my own line. I just happen to agree with the general line of Russian policy. If I don't, I say so."

When I asked him to name some point of policy with which he disagreed he promptly replied: "I don't approve of Russian wives not being allowed to join their British husbands."

Thus did Mr. Piratin display his British bulldog independence. Incidentally, the Daily Worker, which is published by the Communists, has become very mild all of a sudden. Perhaps it remembers being banned in 1940 for its attempt to sabotage the war effort, and does not want to repeat the experience.

Rumors in political circles say that the United States and Britain are likely to issue a peremptory warning to Stalin, which will be just short of an ultimatum. Whether this is true or not, there is no doubt that the two Governments are in close consultation on the matter.

• • •

"Greed and Fear" Reds' Twin Weapons

I talked to a young Englishwoman who married a Czech during the war. She was in Prague during the Communist coup and gave me some idea of how it was accomplished.

The Communists would approach individual workers in a factory and offer them the choice of joining the Party and gaining promotion to a better job, or being dismissed on the grounds of being "unsafe." This double appeal to greed and fear swelled their numbers in every district. Once the worker had toed the line, he was then made to inform against any colleagues who held independent political views.

But the Reds were not content to corrupt merely the factory workers. Pursuing their "greed and fear" technique, they captured the key posts in the schools, universities and cultural associations. The mayor of a town who was such a patriot that the Germans put him in a concentration camp was denounced by one of his local council and is now in jail waiting to be sent to the mines.

In the meantime, the Communists have shown themselves to be men of the strictest sense of honor by promoting all those who took the 30 pieces of silver. The Communists may not believe in Christ but they certainly believe in Judas.

Ex-King Michael of Romania was here this week, before sailing to America. He confirmed what everyone suspected—that his abdication was procured at the pistol point. No wonder the Daily Worker is muting its trumpet. The Communists have sown the wind and they are becoming frightened at the violence of the whirlwind.

• • •

Dominions Arsenals If War Comes Again

Just to cheer the nation up, Parliament held a debate on defense. Everyone agreed that next time Britain would be unlikely to be able to continue her industrial war output. Therefore, the Dominions would become the arsenals of democracy. The whole debate was full of foreboding, but there was no sense of panic. It is hard for a sane man to believe that the world can really be so mad as to go to war again.

• • •

Meantime at Covent Garden we are once more having Wagner. Flagstadt is the principal star and the productions are fairly good. The King and Queen have been to "Tristan" and to "Die Valkyrie," which is a great help and encouragement. The Duke of Windsor never went to the opera and George V never enjoyed it. But Queen Elizabeth has conveyed her musical enthusiasms to her husband and her daughters.

• • •

I heard an amusing story about the Duke of Edinburgh at the Opera. During a lull in the music a coronet player in the orchestra was doing the Daily Telegraph crossword puzzle but could not get the word in the centre. The Duke, who was sitting in the box just over the orchestra, was heard to say: "That word held me up, too. It's 'gasworks.'"

• • •

I don't want to make the people of Canada feel envious, but we are having spring weather in England, and the crocus has duly appeared. All the golf courses are open and in good condition. If it weren't for the Russians and for Sir Stafford Cripps, who is preparing his April budget, life would be almost pleasant.

ONTARIO HOLIDAY *Scrapbook*

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COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADIAN GENERAL INSURANCE group comprising the Canadian General Insurance Co. and the Toronto General Insurance Co., reports that gross premiums of the two companies in 1947, before pooling, were $3,675,518, an increase of $667,159 over 1946. This amount, added to increased writings in 1946, resulted in an increase of $1,094,491 in the two years 1946 and 1947 combined.

Unearned premium reserve of $1,790,842 shows an increase of $218,424 over 1946. Despite this the group showed an underwriting profit of $229,695.

Group surplus is $1,950,017, an increase in the year of $194,258.

Figures of important items of the two companies are shown below. Loss ratios for 1947 (with those for 1946 in brackets) were: Canadian General, automobile 50.76% (43.34), casualty 32.90% (37.78), fire 52.28% (55.27), total 43.75% (43.46): Toronto General, automobile 50.87% (43.90), casualty 33.15% (37.03), fire 52.28% (55.27), total 43.89% (43.34).

Canadian General	1947	1946
Net prems. written ..	$1,767,806	$1,465,655
Total assets	3,677,404	3,281,663
Cash	699,423	680,898
Bds. & stks. less res.	2,575,571	2,253,892
Res. unearned prems.	904,963	864,830
Pol'holders surplus ..	1,577,853	1,463,136
Total clms. incur'd net	720,775	597,162
Net underwr. profit ..	127,417	90,940
Toronto General		
Net prems. written ..	1,446,287	1,199,173
Total assets	2,789,533	2,469,770
Cash	418,723	435,005
Bds. & stks. less res.	2,115,772	1,856,864
Res. unearned prems.	886,879	707,889
Pol'holders surplus ..	1,156,555	1,072,013
Total clms. incur'd net	591,697	487,163
Net underwr. profit ..	102,278	75,310

TORONTO MUTUAL LIFE INSURANCE CO. reports a record year in 1947. New insurance written at $4.7 millions was highest in the company's history. Business in force at Dec. 31 totaled $19.5 millions, a gain of $2.4 millions on the year. Business in force has tripled in the last 11 years. Payments to living policyholders during 1947 were $132,953 and to beneficiaries $82,272, rate of interest earned on invested assets was 3.82%. Total assets increased to over $3 millions.

	1947 $	1946 $
Insurance in force ...	19,464,671	17,028,148
New insurance	4,682,916	3,840,155
Total income	783,051	682,908
Policy payments	215,225	190,360
Liabs. to pol'holders inc. pol. reserves ..	2,757,956	2,545,560
Other liabs.	54,180	52,231
Spec. reserves	102,000	90,000
Total assets	3,003,920	2,776,104
Surplus	89,784	88,313
Int. earned	3.82%	3.81%

LONDON CANADIAN INVESTMENT CORP. 1947 net profit was up 64%. Valuation of assets at year end was $7,387,265. On June 1, 1947, the corporation called for redemption of its then outstanding $3,546,500 4½% debentures, series A, due June 1, 1948. As of same date corporation issued $3 millions principal amount of Canadian payment serial bonds.

Distribution of valuation of assets at Dec. 31, 1947, was as follows:

	%
Cash and U. S. treasury notes	18.20
Dom. of Canada and U. S. Gov't bonds	17.64
Corp. and foreign gov't bonds	5.16
Preferred stocks	9.67
Common stocks	48.64
Other assets	.69

Geographical distribution of these assets was: Canada—51.38%, United States—33.57%, British Empire—7.75% and foreign—7.3%.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Total cash inc.	$356,870	$355,018
Less: Interest	120,074	169,000
Admin. exp.	38,020	36,594
Foreign exch.	452	9,301
Income tax	40,534	43,891
Net profit	157,790	96,232
Less: Pref. divd.	128,477	77,229
Surplus for year	29,313	19,003
Times Debent. Interest Earned†	2.65	1.85

†After all expenses except income taxes.

Earnings per Share and Dividend Record:		
Pref.:		
Excl. ref. EPT ...	$6.16	$3.71
Paid	5.00	*2.75
Com.:		
Excl. ref. EPT ...	0.08	d0.10
None paid.		

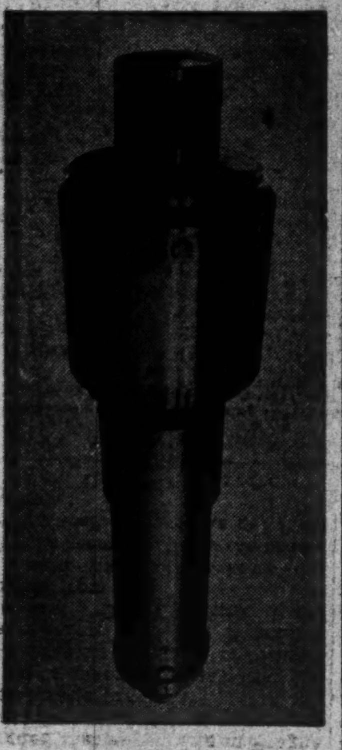
*Arrears.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$1,344,329	$88,721
Accts. rec.▲	11,437	77,908
Prep. chgs.	848	747
Investments‡	6,203,969	8,338,438
Total assets	7,560,583	8,505,814
Accts., tax, etc., pay.	8,500	68,781
Debentures	3,000,000	3,645,500
Conting. res.	50,000	50,000
Capital stock	3,560,100	3,595,000
Surplus▲	941,983	1,146,533
‡Market value	6,030,651	8,404,398
▲Incl. ref. EPT	871	4,608

CITY OF VANCOUVER, B.C. has sold an issue of $2 million serial debentures dated April 1, 1948, to a syndicate headed by A. E. Ames & Co. and including Dominion Securities Corp., Wood, Gundy & Co., Bank of Montreal and the Royal Bank of Canada. The first 10 years, carrying a coupon rate of 3¾%, are reported sold; maturities of 1959 to 1968 at a rate of 3½% are being offered at prices varying from $100 to $99 while maturities of 1969 to 1973 carrying a coupon of 3¾% are reported sold.

Proceeds are for capital improvements including construction of roads, sewers and sidewalks.



EVAPORATOR

One unit of a Swenson Sextuple Effect Evaporator built by Toronto Iron Works and installed at the new Red Rock, Ontario, mill of the Brampton Pulp and Paper Company. Evaporator Length 32′ 0″; maximum diameter 10′ 0″; heating element contains over 300-2″ O.D. stainless steel tubes.

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